

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

DOROTHY GAUTREAUX, at al.,)	
)	
Plaintiffs,)	
)	
v.	)	66 C 1459
)	
CHICAGO HOUSING AUTHORITY, et al.	)	Hon. Marvin E. Aspen
)	
Defendants.)	

**RECEIVER'S RESPONSE TO DEFENDANTS'
EMERGENCY MOTION TO STAY ORDER
OF MAY 19, 1998, PENDING APPEAL**

Daniel E. Levin and The Habitat Co., Inc., as Receiver, submit the following response to Defendants' Emergency Motion To Stay Order of May 19, 1998, Pending Appeal, filed May 20, 1998 ("May 20 Stay Motion"). As the Court knows, it has been the Receiver's goal to build housing, not to litigate with the CHA. The Receiver regrets the need for this entire proceeding.

Because the SuperNOFA for HOPE VI funding requires prompt action, and because the CHA has refused to cooperate in preparing the application as required by this Court's Orders, the Receiver was forced to ask the Court for assistance. As stated in the Affidavit of Philip Hickman, Ex. C hereto, the Receiver believes that the strongest possible application could easily be prepared if the CHA cooperates with the Receiver. A stay of the Court's Order of May 19 could compromise obtaining funds under the SuperNOFA.

The Receiver asked for the opportunity to file this brief for two reasons: to correct factual errors made by the CHA in its Emergency Motion to Stay, and because of the importance

of a full record and findings by this Court to the appellate process that the CHA has begun.^{1/} This brief has two parts: factual corrections of, and suggested points about which the Court may wish to make findings of fact.^{2/}

I. CORRECTIONS OF FACTUAL MISSTATEMENTS.

1. CHA implies that this Court's May 20 Order, requiring the CHA to cooperate with the Receiver in connection with the HOPE VI application due June 29, 1998, caused a meeting between the CHA and the City to break up. May 20 Stay Motion ¶1. This statement is not correct:

- A. Mr. Shuldiner unilaterally terminated the meeting. See Statement to the Court of Valerie Jarrett on May 20, 1998, at 4-5.^{3/}
- B. The Receiver had requested to be part of that meeting, but the CHA refused to permit the Receiver's participation. See Hickman Aff't ¶109; Jarrett 5/20 Tr. at 4-5.
- C. Nothing in the May 20 Order or in prior Court orders required the CHA to terminate the May 19 meeting. Rather, the orders compel the CHA to cooperate with the Receiver. The proper action would have been to include the Receiver as the Receiver requested.
- D. As shown by the attached Hickman Affidavit, the City and the Receiver are ready, willing and able to cooperate with the CHA in producing a strong HOPE VI application.

^{1/} Given the shortness of time, we have not attempted to correct every factual misstatement in the CHA's May 20 Stay Motion. Much of the Shuldiner Affidavit is based on speculation and/or lacks foundation. Time pressures prevent a detailed analysis of each paragraph.

^{2/} Given the short schedule the Court has set for a ruling, the Receiver thought this listing of points for potential findings may be of assistance to the Court, if the Court is so interested. Accordingly, we have taken the liberty of preparing proposals, with references to the record.

^{3/} Copies of the transcripts of the Court hearings on May 19 and 20 are attached as Exhibits A and B hereto.

2. The CHA criticizes the Court for not “credit[ing] the substance of Mr. Shuldiner’s affidavit” stating his conclusion that the CHA could not cooperate with the Receiver. It states that “[t]here is no factual record before the Court that supports the Court’s apparent rejection of Mr. Shuldiner’s affidavit.” May 20 Stay Motion ¶4. The criticism of the Court is incorrect.

A. Mr. Shuldiner’s affidavit was not filed in the District Court and presented until it was attached to the May 20 Stay Motion. The Court did not have before it the Affidavit, and could neither credit nor discredit it. The Affidavit was filed first in the Court of Appeals on May 19 without giving this Court an opportunity to consider it.

B. With respect to the alleged lack of a factual record, the Affidavits submitted by the Receiver in the past two months address many of the contentions in the Shuldiner Affidavit, as described in further detail below. Additional evidence is submitted herewith. Moreover, the Court’s experience of over ten years with the Receiver’s performance in this case, and the relative lack of contentiousness from the CHA that preceded the recent conduct of its current director, provide an ample basis for the Court’s conclusion that everyone other than Mr. Shuldiner has been able to work with the Receiver.

3. The CHA incorrectly states that “[t]he Receiver’s approach to planning a HOPE VI development project would have to be to enforce the Injunction’s remedy, which is to achieve racial integration through the movement of public housing families into the General Area.” May 20 Stay Motion ¶6. It then states that the Receiver’s supposed approach cannot be reconciled with the congressional mandate of HOPE VI. The parties have already argued extensively, and this Court has already made findings, that there is no incompatibility between this Court’s orders and the HOPE VI statute, see Feb. 23 Order, and that under HOPE VI, all housing need not be

built in the exact neighborhood where old housing is being demolished. In addition, we wish to correct the CHA's mischaracterization of what "the Receiver's approach would have to be."

- A. Much of the May 20 Stay Motion and the Shuldiner Affidavit rests upon the false premise that in all circumstances 50% of units must be built in the General Area and that the Receiver will insist upon such terms in any HOPE VI application. The CHA ignores this Court's past approval of the flexible Revitalizing Area concept, with the support and participation of the Receiver, the plaintiffs and the CHA, to permit development within the Limited Areas under the HOPE VI program. See Hickman Affidavit ¶¶93-94.
- B. In connection with the imminent HOPE VI application under the SuperNOFA, it is not the "Receiver's approach" to insist on construction of 50% of replacement units in the General Area. Rather, it is the Receiver's intention, which we understand is shared by plaintiffs' counsel, see Hickman Aff't ¶93, to seek a Revitalizing Area designation for the redevelopment of ABLA Homes as part of the SuperNOFA application.

4. In trying to support its argument that the goals and requirements of HOPE VI conflict with this Court's previous remedial orders, the May 20 Motion and Shuldiner Affidavit create the false and misleading impression that the prior HOPE VI applications did not comply with this Court's orders and that the goals of the HOPE VI Program cannot be reconciled with this Court's orders. See, e.g., May 20 Motion ¶¶5-7; Shuldiner Affidavit ¶¶12-14.

- A. The CHA's current argument is contrary to Mr. Shuldiner's February 27, 1998 e-mail, attached to the April 7 Hickman Aff't. There, Mr. Shuldiner referred to the Court's February 23 Order and said:

All Judge Aspen said is that locational restrictions apply as we have assumed that they do throughout. We asked that they not, and he said no,

they do. Judge Aspen did not break new ground, he maintained the status quo. [Emphasis added.]

- B. In part because of the CHA's allegations about its HOPE VI applications, the plaintiffs asked the CHA to produce the applications.^{4/} Given the shortness of time, the Receiver and plaintiffs have only had time to review the applications quickly and to copy excerpts, which are attached hereto as Exhibit D. Those excerpts establish that in prior HOPE VI applications, the CHA repeatedly referred to the Gautreaux case requirements and to the use of the Revitalizing Area designation to comply. The excerpts demonstrate that there is no incompatibility between the HOPE VI program and this Court's orders. Indeed, at one point CHA melds the two, referring to the "Gautreaux HOPE VI Program." Here are some illustrative quotations (emphasis added):

- From the 1996 Horner HOPE VI Application at 13:

Two hundred of the units are being built back on site of the demolished units (lessening the density by about 60%) and 266 units are being provided by new construction on scattered vacant, in-fill sites or acquisition and rehabilitation of vacant and existing properties in the surrounding communities. These sites were the subject of a court approved waiver under the Gautreaux Desegregation case and have been determined to be "Revitalizing Areas" under the provisions of that case. As a condition of the waiver, the replacement housing units are to be for "mixed" income occupancy (50% of the residents must earn 50% or less of median income and 50% of the residents must earn 51% to 80% of the median income).

- From the 1996 Horner HOPE VI Application at 14

The proposed on site replacement units for the to be demolished public housing units would be provided as follows:

^{4/} The Receiver had made previous requests for at least some of the applications. When the CHA refused to produce the applications, even though it was relying upon them in support of its May 20 Stay Motion, on May 20, 1998 the Court granted plaintiffs' emergency oral motion to compel the CHA to produce the applications "forthwith."

* * * * *

The units will avoid or lessen concentrations of very low-income families by requesting a Gautreaux Revitalizing Waiver to permit 50% of the units to be provided to very low income families and 50% to families earning 51 to 80% of area median income.

- From the 1996 Horner HOPE VI Application at 68

The contract with The Habitat Company as development manager will enhance the CHA ability to control costs and expand the supply of housing more quickly. Habitat is currently in the process of developing 466 Replacement Units at Horner and will provide continuity between the existing Replacement Program and the Gautreaux HOPE VI Program.

- From the 1993 Cabrini-Green Application

The proposed new units will be built on scattered sites in community areas around the Cabrini-Green, and in other sites throughout the Chicago Metropolitan area, in accordance with the Consent Decree (and subsequent orders) of the Gautreaux litigation.

5. The CHA makes several statements questioning the Receiver's "attributes" and qualifications to prepare a successful HOPE VI application. See May 20 Stay Motion ¶18.

A. The "attributes" of the Receiver are substantial. Apart from the Receiver's substantial experience in housing development, the Receiver has prepared over 80 development proposals that HUD has approved during the Receivership, has participated in two of the CHA's past HOPE VI applications, and is familiar with the HOPE VI process. Indeed, the Receiver has developed 2,200 units of public housing since the beginning of the Receivership. Hickman Affidavit ¶¶100-01; Levin Aff't ¶¶11-15.

B. The CHA overstates its successes in its prior HOPE VI applications and omits an important fact. Two of the approved applications were submitted with the input and assistance of the Receiver (and, as described below, the CHA expressly relied upon the Receiver's capabilities and accomplishments to HUD, as evidence of the strength of its

applications). The CHA fails to mention, however, that in 1997 the CHA unilaterally submitted a HOPE VI application to HUD without including the Receiver. HUD rejected the application. Hickman Aff't ¶104; Jarrett Aff't ¶¶14-17.

- C. In the Taylor application, CHA advised the Receiver that it was not applying for construction of public housing. Hickman Aff't ¶¶58-62.
- D. The premise of the May 20 Stay Motion and the Shuldiner Affidavit is that CHA can produce a stronger application, more likely to be successful, if it is allowed to do so by itself and relieved of this Court's orders to cooperate with the Receiver. However, HUD's decisions concerning funding applications are influenced by its view of the capabilities of the recipient. See SuperNOFA, 63 F.R. 15579. In two prior successful HOPE VI awards, HUD was informed that the Receiver would be functioning as development manager. In the application rejected last year, CHA sought funds without the Receiver. The CHA has not yet built any housing out of the HOPE VI awards from which it has excluded the Receiver. Hickman Aff't ¶¶102-04.
- E. The most competitive application would be one prepared with the full cooperation and constructive involvement of the CHA, the Receiver and the City, not one prepared unilaterally by the CHA without regard to the requirements of this Court. Hickman Affidavit ¶91.

6. The CHA claims that it has "lost confidence in the receiver." Shuldiner Affidavit ¶21. It alludes without evidentiary support to "basic factors as the design and suitability of the units that have been and are being developed by the receiver, and the cost of those units." Id. Accordingly, the CHA claims that if it loses the appeal, it will file a motion in this Court to

terminate the Receivership or to modify the Receivership order of 1987 to carve out HOPE VI. Id. ¶22. This puts the Receiver in the awkward position of responding to a vague and unsupported accusation of malfeasance that might be asserted in a motion that has not yet been filed. However, a brief response is warranted:

- A. If the CHA had moved to dissolve or modify the Receivership, it would have been required to prove its assertions and to demonstrate its own ability to develop and build housing.
- B. Unsubstantiated accusations in a motion that has not been made are not entitled to any weight and do not provide grounds to disobey the Court's Orders.^{5/}
- D. The CHA complains that the Court entered the May 20 Order without giving the CHA a chance to "contest the applicability of the Receiver Order to HOPE VI programs" and without giving it "a hearing on the qualifications of the Receiver to fulfill its current responsibilities, to prepare a HOPE VI application, and to make any decisions regarding the location of replacement housing." May 20 Stay Motion ¶20. This is incorrect and backwards. The parties have briefed extensively the applicability of the Receiver Order to HOPE VI programs, a matter that is quite clear from the Order in any event. No hearing on the Receiver's "qualifications" is required, since the August 14, 1987 Order clearly applies to the HOPE VI program, as this Court has ruled.^{6/}

^{5/} The fact that a party threatens to make a motion if an appeal is unsuccessful, i.e., if this Court's orders are right, can hardly be a basis for a stay, which requires the moving party to demonstrate a likelihood that it will be successful on appeal.

^{6/} In any event, the CHA presents no evidence that the Receiver does not possess the stated qualifications. The matters are well within the Receiver's expertise and are precisely the sort of thing it has been doing throughout the Receivership. See Hickman Aff't ¶¶100-01.

(continued...)

E. As noted above, when it was applying for HOPE VI funds from HUD in 1996 for Horner, the CHA lauded the Receiver's performance and abilities, citing them as reasons why HUD should award the funds. Again, we quote excerpts obtained yesterday from the Horner application that CHA refused to produce until compelled by this Court. It is in the context of praising Habitat that the CHA refers, as noted above, to the "Gautreaux HOPE VI Program":

From Page 47:

Habitat (as receiver)

Implementation of the program can begin quickly under the development management of The Habitat Company since they are fully operational as Receiver for CHA's Scattered Site Program.

From Page 48:

In 1987, The Habitat Company was appointed by the Federal Court as Receiver for CHA's Scattered Site (non-elderly) Housing Program. The last of the 1,608 units (approximately 250) are currently under construction. Based on Habitat's experience and success in completing these programs in a cost-effective and timely manner, the company is also under contract to CHA in joint venture with CMHDC, an affiliate of CHA, to develop 375 units under the "Demonstration Program." Habitat is responsible for the acquisition of land, planning, development, construction management and all related accounting functions.

From Page 68:

a. The CHA will contract with The Habitat Company as development manager for the implementation of the HOPE VI program (Horner and Brooks Extension). The Habitat Company is a full service real estate brokerage, management and development company. Habitat is the court

^{6/}(...continued)

The Receiver was appointed in the first place, with the consent of the CHA, precisely because it is well-experienced and qualified to handle housing development matters, of which HOPE VI is the latest example.

appointed receiver for the development of The Chicago Housing Authority's Scattered Site (non-elderly) program. Under this program, Habitat has completed over 1,350 units and has additional 330 units under construction. Habitat will be responsible for implementing the plan contained in this application. The financial arrangement will be similar to that approved by HUD for development as the Receiver.

b. The contract with The Habitat Company as development manager will enhance the CHA ability to control costs and expand the supply of housing more quickly. Habitat is currently in the process of developing 466 Replacement Units at Horner and will provide continuity between the existing Replacement Program and the Gautreaux HOPE VI Program.

F. If the CHA ever does file a motion to terminate or modify the Receivership, the Receiver would present substantial evidence of its accomplishments over the past 10½ years. In addition to accomplishing one of the main goals of the Receivership -- getting the housing built -- the Receiver has been recognized by others for the quality of its work. In January 1998, HUD Secretary Cuomo conferred the Secretary's Platinum Award on the Horner Homes Redevelopment Program. The Receiver is the developer for this \$50 million program. Also, the Receiver's scattered site program received the Urban Land Institute's Award of Excellence in 1996. See Hickman Affidavit ¶106.

7. Paragraph 21 of the Shuldiner Affidavit states that "the receiver has told the CHA that it is not feasible to build additional public housing units in the General Area." That is untrue. See Hickman Affidavit ¶108. In fact, the Receiver has acquired units within the last 90 days in the General Area and has other units currently in the pipeline. Id.

8. Contrary to the statements and implications alleged in Paragraph 15 of the Shuldiner Affidavit, neither the Receiver's participation in the HOPE VI application process nor any requirement of this Court will constrict tenant choice or participation. Rather, in com-

bination with scattered site units and Section 8 vouchers, choices available to residents at ABLA under the forthcoming application would be as broad as the choices that were available to residents, and approved by the Court, for the Horner and North Kenwood Areas. The Receiver fully intends to solicit the participation and input of ABLA residents as required by the HOPE VI program. Mr. Shuldiner's implication that the Receiver is seeking to constrict tenant choice or involvement is untrue. Hickman Affidavit ¶95, 99.

II. PROPOSED FACTUAL MATTERS THAT THE COURT MAY WISH TO MAKE THE SUBJECT OF FINDINGS.

The Receiver believes the following matters may be appropriate for factual findings by the Court. The findings are supported by the Affidavits and Exhibits on record (including on the plaintiffs' Motion for Further Relief)^{7/} and on the meetings before the Court.^{8/}

1. The Receiver has not attempted to usurp the powers of the CHA. 5/19 Tr. at 11. Instead, the Receiver's actions have been consistent with this Court's Order of August 14, 1987, appointing the Receiver. No evidence has been presented to the contrary.

2. The last contested peaceable status quo prior to the CHA's institution of hostilities in late 1996 was that the Receiver was involved in the HOPE VI application and construction process as the CHA's development manager for HOPE VI housing projects. Hickman Aff't ¶¶17-57 & Exs. 1-26; April 7, 1998 Hickman Aff't ¶2 & Ex. thereto; 3/31 Levin Aff't ¶¶16-22.

3. HUD has previously awarded HOPE VI grants to the CHA with the Receiver participating, Hickman Aff't ¶¶17-57, 97, and has awarded them based on compliance with the

^{7/} The Court ruled today the motion was moot, with an invitation to the Receiver to refile it.

^{8/} Under Rule 43(e), the Court has discretion to tailor the proceedings to the realities surrounding the motion.

Gautreaux locational requirements. Plaintiffs' 5/21 Response; Hickman Aff't ¶¶94-96. The CHA has made no showing that including the Receiver, or complying with Gautreaux would jeopardize funding.

4. The Receiver has offered to cooperate with the CHA in the June 29, 1998 HOPE VI SuperNOFA application, and sought the CHA's assistance. May 18 Emergency Motion Ex. A. The City of Chicago is willing to work with the Receiver and the CHA to prepare the SuperNOFA Application. Hickman Aff't ¶85-89; 5/20 Jarrett Tr. at 4-5.

5. A SuperNOFA application filed jointly by the CHA and the Receiver would not preclude tenant input. Hickman Aff't ¶99.

6. The Court ruled on February 23 that the HOPE VI program did not preclude compliance with Gautreaux's locational requirements. In addition, in view of the availability of the "revitalizing area" concept, it is possible to accommodate Gautreaux objectives without 1-for-1 building in the general area.

7. The Court cannot predict in advance its ruling on a revitalizing area designation for ABLA, but has approved three such applications in the past. The Court has inspected the results of those applications, including a tour of some of the housing, and they appear to have worked in a successful manner. While the CHA has alleged that the Receiver is not competent to build housing under HOPE VI, the Receiver has presented evidence of its competence, Levin Aff't ¶¶11-15; Hickman Aff't ¶¶100-01, 106, and the CHA has presented no evidence to the contrary.

8. The Receiver has built over 1,600 units of scattered site housing and over 133 units of replacement housing since 1987. Hundreds of additional units are under construction. Levin Aff't ¶¶13-15; Hickman Aff't ¶¶71-72.

9. Contrary to the CHA's assertions, it is not clear that the Receiver may not choose to site some additional units of public housing in the General Area. Some land for housing in the General Area was recently purchased by the Receiver. Hickman Aff't ¶108.

10. The CHA has not demonstrated to the Court any capacity to develop new units. In the past, the CHA has been given two demonstration projects, but has not successfully completed its work. Indeed, much of that work was then reassigned to the Receiver. Hickman Aff't ¶¶76-80. The CHA has not yet built any housing units from the funding it received from HOPE VI applications from which it excluded the Receiver. Hickman Aff't ¶¶102-03.

11. In connection with redevelopment at Cabrini-Green, the Receiver filed an application for innovative long-term market rate rental program known as Mohawk-North. Hickman Aff't ¶¶50-53.

12. One factor HUD will consider in awarding the HOPE VI SuperNOFA is proven development capacity. 63 F.R. 15580 (Ex. D to May 18 Emerg. Motion). The Receiver, working with the CHA, is in a better position than the CHA by itself to make a competitive HOPE VI application. This is confirmed, inter alia, by statements in the CHA's prior HOPE VI applications emphasizing the quality of the Receiver's work, Receiver's 5/21 Response Ex. D, as well as by the CHA's failure to receive an award of HOPE VI funds for ABLA when it applied without the Receiver in 1997, Hickman Aff't ¶104. (When the CHA applied for HOPE VI funds without the Receiver in 1997, it was over the Receiver's objections. Jarrett Aff't ¶¶14-18.)

13. The CHA has not provided information willingly to the Receiver. As one example, the Receiver only learned about the CHA's plans to build housing at the Darrow development, in a limited area, by accident. Jarrett Aff't ¶¶5-8. As another example, the CHA has failed to provide accurate and truthful information to the Receiver about the scope of the Taylor proposal. Hickman Aff't ¶¶58-62; Gautreaux plaintiffs' response, filed today (inspection of CHA HOPE VI documents showed Taylor application included on-site and off-site replacement housing). Further, the plaintiffs and the Receiver had to obtain a Court Order on May 20, 1998 to cause CHA to turn over public documents reflecting prior HOPE VI applications, upon which CHA was relying in its motion for a stay.

14. All of these circumstances lead to the conclusion that the CHA is not acting in good faith to cooperate with Receiver, as it is obligated to do.

15. The CHA has expressed its unwillingness to comply with the desegregation requirements of the Gautreaux litigation. March 18 Levin Aff't ¶2-4 and Ex. A.

16. Although the CHA has stated for several months that it may file a motion to terminate the Receivership, it has not done so. It has also not submitted any evidence that would justify termination at this time.

17. In determining the public interest for purposes of the Stay Motion, CHA shows neither the capacity nor the willingness to act in a manner consistent with Court's Orders in building and desegregating new non-elderly housing. Therefore, the public interest weighs in favor of denying a stay, and requiring the CHA to work with the Receiver and the City to prepare the HOPE VI applications.

Respectfully submitted;



One of the Counsel for Daniel E. Levin and
The Habitat Company, as Receiver Pursuant
to the Court's Order of August 14, 1987

Date: May 21, 1998

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CERTIFICATE OF SERVICE

The undersigned, an attorney, hereby certifies that on May 21, 1998 he served a copy of the ***Receiver's Response To Defendants' Emergency Motion to Stay Order of May 19, 1998, Pending Appeal*** on the parties listed below by causing a true and correct copy to be delivered to them via messenger delivery at their respective addresses as indicated below:

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Dated: May 21, 1998



Edward W. Feldman

IN THE UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

DOROTHY GAUTREAUX, et al.,	)	Docket No. 66 C 1459
	)	No. 66 C 1460
Plaintiffs,)	
)	
vs.	)	Chicago, Illinois
	)	May 19, 1998
SAMUEL R. PIERCE, et al.,	)	9:30 o'clock a.m.
)	
Defendants.)	

TRANSCRIPT OF PROCEEDINGS - STATUS
BEFORE THE HON. MARVIN E. ASPEN

APPEARANCES:

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1 THE CLERK: 66 C 1459, Gautreaux et al., versus CHA.

2 MS. EISENHAUER: Good morning, your Honor. Nancy
3 Eisenhower for CHA and Joseph Shuldiner.

4 THE COURT: Good morning.

5 MR. SHAKMAN: Good morning, Judge. Mike Shakman and
6 Eddie Feldman for the Receiver.

7 THE COURT: Good morning.

8 MR. POLIKOFF: Good morning, your Honor.

9 THE COURT: Mr. Polikoff.

10 MR. SHAKMAN: Judge, this is the motion by the
11 Receiver for emergency relief in connection with the HOPE VI
12 application which we hope to file in cooperation with the CHA,
13 if possible, by June 29, which is the deadline established by
14 HUD for submission of applications.

15 We view it as an emergency because we have been unable
16 to obtain a response from the CHA to our request for
17 cooperation and information needed to move forward with the
18 application.

19 The City of Chicago has indicated that it supports the
20 principle of a joint application, will work with us on it.
21 There is up to \$35 million in funding for housing and for other
22 services that's potentially available.

23 Mr. Levin and his colleagues, Valerie Jarrett, who's
24 in court today, and the others of the Receiver's staff are most
25 concerned that the opportunity to obtain this kind of funding

1 for the city not be lost because of lack of cooperation, and
2 for that reason we have filed the motion.

3 I could go into greater detail but I know you read
4 these things.

5 THE COURT: Any response?

6 MS. EISENHAUER: First two factual matters -- or one
7 factual matter.

8 We're not aware of a response from the City of Chicago
9 to this. I'm not saying it hasn't happened; I just want you to
10 know the CHA has not been informed of that.

11 More importantly, we filed a motion to stay in the
12 Seventh Circuit this morning. I --

13 THE COURT: Has it been granted?

14 MS. EISENHAUER: We filed it this morning. We --

15 THE COURT: All right. Well, the case is still here,
16 so I'm not really concerned about that.

17 MS. EISENHAUER: I'm just informing you we did. And
18 in connection with that motion to stay we filed an affidavit of
19 Joe Shuldiner in which he states the CHA will not be able to
20 prepare a timely or competitive application before the June
21 28th deadline if it is forced to work with the Receiver, and
22 because of that the CHA and the City of Chicago may lose up to
23 \$35 million worth of funding.

24 Second of all, the issues raised by the Receiver here
25 are the same issues raised by the plaintiffs in the motion for

1 further relief, which we believe requires briefing on the scope
2 of the receivership order and also hearing from Mr. Shuldiner
3 to present his views on the topic and his description of his
4 actions.

5 And third, in the response to the motion to clarify
6 that the plaintiffs filed with this Court, they wrote that the
7 applicability of the judgment order cannot be determined
8 definitely at the HOPE VI application stage; that is at page 8
9 of their response. Because of that statement and for other
10 reasons, we would argue that this injunction is too vague to be
11 enforced against the CHA in this context.

12 MR. SHAKMAN: I would like to briefly respond, unless
13 Mr. Polikoff wants to say something?

14 MR. POLIKOFF: No.

15 MR. SHAKMAN: First of all, I want to note that we
16 have not received a response to Dan Levin's letter to the
17 Receiver that he wrote on May 5th or to my letter to
18 Mr. Butler, general counsel of the CHA, that I wrote last
19 Friday. The only response is the filing of a motion for a
20 stay, which indicates that the CHA, as counsel has said, has
21 concluded that it can't work with the Receiver. I don't
22 understand why that couldn't have been communicated by a phone
23 call to Mr. Levin or a letter to me or a phone call to me.

24 So I want to raise a question because it seems to me
25 that the fact that that conclusion had been reached but not

1 communicated to us illustrates in part some of the problems we
2 are having in our relationship with the CHA. We were entitled
3 to be told that and we shouldn't have had to file a motion with
4 this Court to receive that information.

5 In terms of the connection between the motion for
6 further relief and this motion, all I can say is Mr. Polikoff,
7 representing the plaintiffs, does what he deems appropriate
8 representing his clients.

9 Mr. Levin operates as the Court's agent. He has
10 duties the Court has entrusted to him and he is attempting to
11 carry those out. Mr. Levin, as I am sure the Court knows, is
12 not by nature a litigious man or a confrontational man. His
13 staff shares his views. We are here only because nothing else
14 seems to hold promise for moving this process forward.

15 In terms of the application of the judgment order for
16 HOPE VI, we are here seeking to enforce the 1987 order
17 appointing the Receiver and the cooperation requires that that
18 order imposes upon the CHA.

19 Whether or not the HOPE VI order is stayed, no effort
20 has been made to stay the 1987 order appointing the Receiver,
21 no effort is being made to stay the obligations of the CHA to
22 cooperate with the Receiver as specified in that order.

23 So for those reasons, I would suggest that Ms.
24 Eisenhauer's comments really aren't addressed in the merits of
25 this motion.

1 MS. EISENHAUER: May I respond to that?

2 THE COURT: Sure.

3 MS. EISENHAUER: First, on the point of has the CHA
4 advised the Receiver that they can't work with them on these
5 applications, the CHA believes it has been advising the
6 Receiver of that for several months now.

7 Part of the reason the CHA believes that it will not
8 be able to file a timely application, that was not simply
9 because it cannot work with the Receiver but because of the
10 information that would need to be compiled and the fact that it
11 appears that the Receiver and the CHA have different views on
12 what HOPE VI requires and what the Gautreaux injunction
13 requires. And for that reason any negotiation would not come
14 to anything except for the same disputes that have been going
15 on in this Court repeatedly.

16 Second, I understand it's the Receiver's motion. My
17 only point with regard to the motion for further relief is that
18 it raises the same underlying issues, and one of those issues
19 is whether the 1987 order applies to HOPE VI, whether this
20 Court's February 25th order envisions that the 1987 order
21 necessarily applies.

22 As you know, the CHA has argued from the beginning
23 that the conclusion that you reached on February 25th does not
24 necessarily lead to the conclusion that the Receiver is drawing
25 today here with regard to the 1987 order. And again, we've

1 raised that issue repeatedly in the past month, at least.

2 MR. SHAKMAN: One comment, if the Court -- if counsel
3 is done?

4 MS. EISENHAUER: Yes.

5 MR. SHAKMAN: If the CHA believes that the August 14,
6 1987 order appointing the Receiver should be modified, the CHA
7 has been free to make that motion for these many months that
8 this issue has been percolating in this Court and it's elected
9 not to make that motion. Therefore, the Court has not had an
10 opportunity to address such a motion.

11 So we, as the Receiver, are operating under the duties
12 imposed upon us by the Court and we willingly accept it in
13 trying to carry out those duties.

14 THE COURT: Okay. Mr. Polikoff, do you have anything
15 you want to say?

16 MR. POLIKOFF: No, your Honor.

17 THE COURT: Well, I am concerned that Mr. Shuldiner
18 feels that he can't go along with the Receiver. I find that
19 disturbing and I find that surprising because everyone else
20 involved in this litigation through the years, other than
21 Mr. Shuldiner, has had no problem getting along with the
22 Receiver.

23 But my focus is not on whether he can get along with
24 the Receiver or not. My focus is whether or not everyone,
25 including the CHA, complies with the orders of this Court, the

1 orders that I have issued thus far and the orders that I will
2 issue in the future. I expect Mr. Shuldiner to comply with
3 those orders, whether or not he feels that it's an impediment
4 to follow my orders because he can't get along -- or feels he
5 can't get along with the Receiver.

6 I will issue an order, and as long as the Seventh
7 Circuit has not changed my order it's a viable order and I
8 expect Mr. Shuldiner to comply with it. If he does not comply
9 with it, I will do what I have to do to make him comply with
10 it. I hope you will give him that message.

11 Thank you.

12 MS. EISENHAUER: Your Honor, could I ask a question?

13 I just want to clarify that it is not that
14 Mr. Shuldiner has some problem with the Receiver, refuses to
15 work with him on a personal level. It is that he believes and
16 the CHA believes that the 1997 order does not -- and the
17 February 25th order does not necessarily lead to the conclusion
18 that the CHA must turn over authority for this program to the
19 Receiver, and that's the basis for the objection.

20 THE COURT: Well, if that belief conflicts with the
21 orders of this Court, then Mr. Shuldiner will have to opt to
22 follow the orders of this Court. You know, we're not in a
23 lawless society where somebody has their own views as to the
24 law or the construction of an agreement and can follow those if
25 there is a Court order to the contrary.

1 Mr. Shuldiner is not reluctant to appeal my orders and
2 I hold no animosity toward anyone who appeals one of my orders.
3 But until and unless an order of the Court has been overturned
4 by a reviewing court, I expect that order to be followed,
5 regardless of Mr. Shuldiner's personal views as to how he
6 thinks the law ought to operate. And please convey that to
7 him.

8 Thank you.

9 MR. SHAKMAN: Your Honor, I have one other request, if
10 I may.

11 It's fairly apparent that the proceedings are under
12 way, that additional appeals may be taken to the Seventh
13 Circuit. There is law in the Seventh Circuit that the Receiver
14 needs the approval of the appointing court to participate in
15 the appellate process. We would, therefore, ask permission to
16 participate in any pending or future appeals from this
17 collection of issues.

18 THE COURT: All right. I will enter an order to that
19 effect.

20 MR. SHAKMAN: Thank you, Judge.

21 MS. EISENHAUER: Your Honor, can I make one more
22 comment?

23 I would just like to say that Joseph Shuldiner
24 certainly intends to comply with this Court's orders. He does
25 have obligations under state statutes and under -- that he's

1 already made to HUD, and he believes that the orders as
2 interpreted by the Receiver are in conflict with those other
3 obligations that he has.

4 Second of all, I certainly understand your point, and
5 Joseph Shuldiner does as well, that he must comply with orders
6 of this Court. We do not read any of the orders of this Court
7 to require CHA to turn over responsibility for this program to
8 the Receiver.

9 THE COURT: If there are any problems with the
10 construction of any of my orders, obviously it will be brought
11 to my attention and I will make it perfectly clear for
12 Mr. Shuldiner.

13 MS. EISENHAUER: We believe that we brought that issue
14 to your attention in connection with the briefing on the motion
15 for further relief.

16 MR. POLIKOFF: Your Honor, might I add one word if Ms.
17 Eisenhower is finished?

18 THE COURT: Yes.

19 MR. POLIKOFF: The rhetoric of turning over this
20 program to the Receiver that's been used in the briefs and
21 responded to, is not an accurate characterization of what is
22 involved, and I didn't want my silence to --

23 THE COURT: I agree with you, Mr. Polikoff, and I
24 should have said something as well. That's Mr. Shuldiner's
25 pique at having to follow the orders of the Court and that's

1 the language he uses.

2 Go ahead. I didn't mean to interrupt.

3 MR. POLIKOFF: No. That's all I wanted to say.

4 MR. SHAKMAN: Your Honor, I will second that.

5 The whole thrust of Mr. Levin's approach to this issue
6 and Mr. Shuldiner has been that this should be done on a
7 cooperative, joint basis, not that Mr. Levin should scoop up
8 all the responsibility and run away from it and not permit the
9 CHA to participate.

10 THE COURT: Mr. Levin has never done anything in the
11 past, nor have I found any of his actions in the recent
12 brouhaha to indicate that he wants to usurp any of
13 Mr. Shuldiner's authorities.

14 On the contrary, I find that Mr. Shuldiner has thus
15 far indicated that he would rather contest every aspect of the
16 relationship between the Receiver rather than attempt to
17 cooperate. And to the extent that I can, I will straighten it
18 out when I rule on the motions.

19 MR. SHAKMAN: Thank you.

20 THE COURT: Thank you.

21 (Which were all the proceedings had at the hearing of
22 the within cause on the day and date hereof.)

23

24

25

CERTIFICATE

I HEREBY CERTIFY that the foregoing is a true,
correct and complete transcript of the proceedings had at the
hearing of the aforementioned cause on the day and date hereof.



Official Court Reporter
U.S. District Court
Northern District of Illinois
Eastern Division

5/20/98
Date

IN THE UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

1	DOROTHY GAUTREAUX, et al.,	)	Docket No. 66 C 1459
2		)	No. 66 C 1460
3	Plaintiffs,)	
4)	
5	vs.	)	Chicago, Illinois
6	SAMUEL R. PIERCE, et al.,	)	May 20, 1998
7		)	2:00 o'clock p.m.
8	Defendants.)	

TRANSCRIPT OF PROCEEDINGS - STATUS
BEFORE THE HON. MARVIN E. ASPEN

APPEARANCES:

For the Plaintiffs:

MILLER, SHAKMAN, HAMILTON,
KURTZON & SCHLIFKE
BY: MR. BARRY A. MILLER
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and

MR. ALEXANDER POLIKOFF
Business and Professional
People for the Public Interest
(17 East Monroe Street
Chicago, Illinois 60603)

For Defendant CHA:

SKADDEN, ARPS, SLATE,
MEAGHER & FLOM
BY: MS. SUSAN GETZENDANNER
MS. NANCY EISENHAUER
(333 West Wacker Drive
Chicago, Illinois 60606)

ALSO PRESENT:

MS. VALERIE JARRETT

MS. MARY M. GALLAGHER
Official Court Reporter
219 South Dearborn Street
Room No. 2524A
Chicago, Illinois 60604
(312) 663-0049

MARY M. GALLAGHER, CSR

1 THE CLERK: 66 C 1459, Gautreaux versus CHA.

2 MS. GETZENDANNER: Good afternoon, Judge.

3 THE COURT: Good afternoon.

4 MS. GETZENDANNER: Susan Getzendanner and Nancy
5 Eisenhower for the movants, and Mr. Butler is here from the
6 CHA.

7 If you have read the papers, Judge, we will rely on
8 our papers.

9 MR. POLIKOFF: Alex Polikoff for the plaintiffs.

10 MR. MILLER: Barry Miller and Edward Feldman for the
11 Receiver. Ms. Jarrett is here on behalf of the Receiver.

12 THE COURT: Proceed. It's your motion.

13 MS. GETZENDANNER: Judge, I said, if you have read the
14 papers, we will rely on them.

15 THE COURT: I'm sorry. I didn't hear you.

16 Any response?

17 MR. POLIKOFF: Yes, your Honor.

18 Maybe we will defer to the Receiver for starters but
19 reserve the opportunity.

20 THE COURT: All right.

21 MR. MILLER: Your Honor, we would like an opportunity
22 to respond in writing by either first thing Friday or the end
23 of the day tomorrow. The reason for that is there are factual
24 errors in the CHA's filing that, in our view, cry out for
25 correction, and we would like to put that in the record here

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1 before it goes up to the Seventh Circuit. It may help the
2 Court of Appeals if your Honor has made factual findings on
3 some of these issues and that might help in their understanding
4 of this matter.

5 Your Honor ought to know that they have filed this
6 afternoon an expedited motion in the Seventh Circuit for
7 expedited consideration of their motion for a stay before you
8 have ruled on this motion for a stay.

9 MS. GETZENDANNER: No, no.

10 MS. EISENHAUER: We did not.

11 MR. MILLER: You just served it?

12 MS. GETZENDANNER: We just gave it to you as a
13 courtesy.

14 MR. MILLER: Okay. Thank you. I apologise.

15 Some of the points we would like to make go to the
16 ability of the Receiver to cooperate and accomplish the matters
17 that have to be accomplished. And if Ms. Jarrett could address
18 you for a minute to inform the Court of some of the points we
19 would like to put in more detail in writing, we thought that
20 would be useful.

21 MS. GETZENDANNER: Judge, we did file notice of
22 appeal, so the order is on appeal and we view it as final.

23 THE COURT: My order of yesterday is on appeal?

24 MS. GETZENDANNER: Yes.

25 THE COURT: Ms. Jarrett?

1 MS. JARRETT: Thank you, your Honor. Good afternoon.

2 Four quick points, your Honor. First I wanted to
3 inform you that last Friday the Habitat Company
4 representatives, Alex Polikoff and representatives from the
5 City of Chicago, had a meeting that I would describe as very
6 constructive, focusing on this HOPE VI application and looking
7 at the ABLA area, one where the city is currently engaged in a
8 very expansive redevelopment program, as an area that we should
9 examine for potential for the HOPE VI application. So on a
10 positive note, that was a very constructive meeting.

11 Second point, at that meeting representatives from
12 Habitat were informed that a meeting was scheduled for
13 yesterday between the city and CHA, a meeting that Habitat was
14 specifically not invited to attend, again to focus on the HOPE
15 VI application for ABLA.

16 We understand that at the meeting yesterday, when your
17 order was received by Joe Shuldiner, he terminated the meeting
18 and broke off discussions with the city on the ABLA
19 application.

20 And the final point I would make this afternoon -- or
21 this morning, rather, I had a phone call from Commissioner
22 Stash (phonetic), the Commissioner of Housing, inviting Mr.
23 Levin and I to attend a meeting this Friday, one to which he
24 was also inviting Joe Shuldiner, to see if there was a way that
25 the city, Habitat and the CHA could work together to prepare

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1 this application.

2 On behalf of Habitat, we certainly are very interested
3 -- we are completely confident that we can prepare a
4 competitive application with the city's involvement and also
5 with the involvement of the CHA. So we would obviously like to
6 work collaboratively with both the city and the CHA.

7 MR. MILLER: Thank you, your Honor.

8 THE COURT: Mr. Polikoff?

9 MR. POLIKOFF: Yes, your Honor.

10 I want to agree with the Receiver's request now on
11 behalf of the plaintiff. Although this is primarily the
12 Receiver's motion for cooperation, it's obvious that positions
13 that the plaintiffs have taken and continue to take, both
14 before your Honor and before the Seventh Circuit, are
15 implicated.

16 We view -- I say this with some regret. We view the
17 presentations, the multiple presentations that the defendants
18 have now made, both before your Honor and the Seventh Circuit,
19 as factually, substantially off base. Things are said
20 repetitively of a factual nature, not of a legal, interpretive
21 nature, that are simply wrong, both about the history of the
22 case and about the current situation.

23 We would request formally, if desirable, for those
24 errors, those misstatements, to be pointed out and to have them
25 pointed out in the record before your Honor.

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1 It's clear to everybody that the whole ball of wax is
2 going on up to the Seventh Circuit. We now have notices of
3 appeal with respect to two orders that are on file, and your
4 Honor has pending the plaintiffs' motion for further relief.

5 CHA takes the position that sub silentio a portion of
6 that motion was granted by your order yesterday. Unlike some
7 other CHA positions, this one may be accurate. It might well
8 be that that further relief motion ought to be disposed of as
9 promptly as your Honor is able so we avoid the possibility of
10 successive appeals and get it all up there together. But
11 that's, of course, for you to consider and decide.

12 Regardless of that, the desirability of getting in
13 the record before your Honor at least our view of what the
14 factual misstatements are, something you can have before you
15 when you make your ruling on the pending motion and before it
16 gets upstairs, seems to me to be pretty clear.

17 We are not talking delay. As Mr. Miller has indicated
18 -- and we would agree with the same time schedule -- if you
19 gave us until, say, Friday morning -- this is Wednesday
20 afternoon, so we're talking about less than 48 hours. We're
21 certainly not trying to delay the CHA. And I think it would be
22 beneficial to everybody if that opportunity to correct the
23 record, so to speak, were afforded to us and make a
24 presentation before you prior to the next ruling.

25 THE COURT: Well, I have no problem with that. I do

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1 want to tell you some of my time constraints. I am leaving the
2 country on Saturday but, strangely enough, am coming back on
3 Wednesday. I've just got to go to London for a couple of days,
4 but I'll be back, probably jetlagged, Wednesday afternoon in my
5 chambers. That doesn't give us a lot of time.

6 Would you want to respond to whatever they're filing?

7 MS. GETZENDANNER: Judge, we would view the order as
8 you entered it yesterday as final. We filed a notice of
9 appeal. We think a hearing on factual errors in presentations
10 is not necessary.

11 THE COURT: What they want to do is respond --

12 MS. GETZENDANNER: They want to reopen the record.

13 THE COURT: -- to your motion of today. Do you want
14 to reply to their response?

15 MS. GETZENDANNER: Well, Judge, if they are permitted
16 to file a response, I don't think that would prevent us from
17 going upstairs and seeking a stay today. But, yes, if they are
18 permitted to file a response, we would want to reply to it.

19 THE COURT: All right.

20 MR. POLIKOFF: To make it clear, the response that we
21 would like time to file is to your pending motion for a stay
22 before Judge Aspen.

23 MS. GETZENDANNER: Judge, we were not given an
24 opportunity to respond to the Receiver's emergency motion
25 yesterday. We terminated a meeting immediately upon receipt of

1 your order.

2 These planning sessions are in process; they have
3 nothing going on right at this moment but they are in process.
4 They are vital to the timeliness of preparing this application.
5 We cannot wait for a stay until next Wednesday. We simply
6 cannot.

7 THE COURT: Okay. Well, I will ask you to file your
8 response by the end of the business day tomorrow and serve it
9 by the end of the business day tomorrow, and I'll ask for your
10 reply, if you wish to file a reply, by 10:00 a.m. on Friday.
11 You will have a ruling before I leave.

12 MS. GETZENDANNER: Judge, we have worked all night for
13 two nights in a row, first in response to their emergency
14 motion, last night in connection with the motion to stay. I
15 don't think Ms. Eisenhower or I have it in us to stay up again
16 tonight.

17 THE COURT: That's entirely up to you. Obviously --

18 MS. GETZENDANNER: We don't feel it's reasonable.

19 THE COURT: -- if we had a lot of leisure -- but it is
20 an emergency matter, and as you said, you can't wait until
21 Wednesday and I want to resolve it before Wednesday. That's
22 the only reason why I have set this accelerated briefing
23 schedule.

24 MS. GETZENDANNER: Your Honor, the plaintiffs have
25 brought to the attention of the Court of Appeals in the

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1 pleadings that are pending there now that there are factual
2 errors in our presentation and that's briefed upstairs.

3 I don't know what kind of factual errors --

4 THE COURT: I don't either. But, you know, I
5 certainly am not going to stop them from filing what they want
6 to file in response to a written motion before me.

7 Okay. We'll keep that briefing schedule and --

8 MS. GETZENDANNER: You will rule by --

9 THE COURT: -- you will hear from me by the end of the
10 business day on Friday.

11 MS. GETZENDANNER: Very good. Thank you.

12 MR. POLIKOFF: Thank you, your Honor.

13 THE COURT: Thank you.

14 (After a brief recess, the following further proceedings
15 were had herein:)

16 THE CLERK: 66 C 1459, Gautreaux versus CHA.

17 MR. POLIKOFF: Alex Polikoff, your Honor.

18 MS. EISENHauer: Nancy Eisenhower.

19 MR. POLIKOFF: I appreciate your coming back, and I
20 guess I will go first. In a sense, this is my motion.

21 Last night I called Nancy Eisenhower, one of the
22 attorneys for CHA, and said that I would like to look at copies
23 of the CHA applications for the HUD NOFA grants which are
24 referred to time and time again in the papers and which I
25 believe I have seen in the distant past but in the context of

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1 the current papers needed to examine again. She said, to the
2 best of my recollection, that she would arrange for that but
3 that she had to talk to Jerome Butler, the general counsel of
4 CHA, because the documents were in his possession, not hers.

5 I spoke to her again this morning about that, among
6 other things, and received the same answer. It was a cordial
7 and responsive answer. It was a question, as I understood it,
8 of time and making the arrangements and not a question of
9 refusal to allow me to either have copies or look at the
10 documents. And I offered, if necessary, given the exigency of
11 the time, to go over to Mr. Butler's office and look at the
12 documents, and Ms. Eisenhower responded she hoped that that
13 wouldn't be necessary.

14 In the course of this afternoon's proceedings, I again
15 renewed the request in the presence of Mr. Butler, and he, too,
16 indicated responsiveness but said that he had to call the CHA
17 employee and, indeed, as I understood it, tried to on the
18 telephone get in touch with the CHA employee who would be the
19 one to make the documents available to me.

20 We all went up together just a few minutes ago to the
21 Seventh Circuit at the request -- or invitation of the CHA
22 attorneys. They wished to present to either the clerk or the
23 Judge, if the Judge would hear them, a motion for a stay.

24 The papers were filed up there, as I understand it.
25 In the course of our conversations in the Seventh Circuit

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1 clerk's anteroom Ms. Getzendanner said, we are not going to
2 give you the documents, or words to that effect.

3 She gave an explanation that I didn't fully
4 understand, but it had something to do with our not treating
5 this as an emergency since we wanted time, as your Honor has
6 given us until tomorrow evening, to respond and, therefore, the
7 documents would not be provided to us. At least that's my
8 understanding of what she said.

9 We said that we, under those circumstances, would have
10 to ask your Honor to intervene because we do want and feel we
11 need to look at these documents before tomorrow evening. And
12 we came down here, asked your Honor if you would hear us and
13 your secretary said you would. And the CHA attorneys who at
14 first, we understood, had left the building and would not be
15 here, reversed course or changed their mind and Ms. Eisenhower
16 is indeed here.

17 Under those circumstances, I would move orally that
18 your Honor first invite, if you will, and, if necessary, order
19 the CHA attorneys to either produce or allow us to inspect no
20 later than 10:00 o'clock tomorrow morning the applications for
21 the HOPE VI -- responsive to the HOPE VI NOFAs that are
22 referred to in the CHA documents that have been filed with your
23 Honor.

24 MS. EISENHAUER: Your Honor, just a few facts.

25 We didn't leave the building. They asked us to come

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1 down; we said we weren't coming down with them and told the
2 minute clerk that we were available and here I am.

3 Second, I did talk to Mr. Polikoff about making them
4 available. I told him that they are huge documents, they are
5 at the CHA's offices and to copy them is impractical. He did
6 ask Jerome Butler about that this afternoon and Jerome said, do
7 you want to come over to the offices. I don't think that's
8 possible today; I'll call someone.

9 Mainly what I would like to say is, we have public
10 documents that have been available since 1992 and 1996. We
11 asked Mr. Polikoff if he needed them to respond tomorrow. He
12 said, for that, along with many other reasons, or something to
13 that effect.

14 So we say that we do not need to turn them over. They
15 have been available between six and two years to be looked at.

16 THE COURT: You say they have been available and you
17 don't want to turn them over. I don't understand it.

18 MS. EISENHAUER: They are public documents that have
19 been available since 1992 and 1996.

20 THE COURT: Well, if they're public documents --

21 MS. EISENHAUER: We don't have copies of them that we
22 could turn over.

23 THE COURT: But he can look at them?

24 MS. EISENHAUER: They would have to come to our
25 offices and --

1 THE COURT: Do you have any problem with that, Mr.
2 Polikoff?

3 MR. POLIKOFF: No. In fact, as I said -- I think I
4 said I offered to do that.

5 THE COURT: All right. Why don't --

6 MS. EISENHAUER: We are not prepared at this time to
7 have the plaintiffs come in to the offices and supervise them
8 right now.

9 THE COURT: Why do you have to supervise them?

10 MS. EISENHAUER: That's what we have been telling them
11 for the past few days.

12 THE COURT: Why do you have to supervise them?

13 MS. EISENHAUER: I think that's pretty obvious.

14 THE COURT: Are you concerned they're going to steal
15 the documents?

16 MS. EISENHAUER: No, but we want to be there.

17 THE COURT: I take it you need the documents to
18 respond to the motion?

19 MR. POLIKOFF: Correct, your Honor.

20 THE COURT: All right. I am going to order that you
21 allow Mr. Polikoff to inspect the documents forthwith. He will
22 go over to your offices right now and you have them available.

23 MS. EISENHAUER: Okay. Then I would like to ask you
24 to stay this order.

25 THE COURT: Pardon?

1 MS. EISENHAUER: I'm asking you to stay that order.

2 THE COURT: I will deny your motion to stay.

3 MR. MILLER: Your Honor, if I could just note for the
4 record, Ms. Jarrett informs me we requested copies of some, if
5 not all, of those documents previously, almost two years ago;
6 they were never provided.

7 THE COURT: All right. Do you want to go along with
8 Mr. Polikoff?

9 MR. MILLER: One of us from our office would, your
10 Honor.

11 THE COURT: All right. That will be part of the order
12 as well.

13 MS. EISENHAUER: And the motion to stay will be denied
14 as well?

15 THE COURT: Yes. And forthwith means right now.

16 MS. EISENHAUER: I understand.

17 MR. POLIKOFF: Thank you, your Honor.

18 MR. MILLER: Thank you, your Honor.

19 (Which were all the proceedings had at the hearing of
20 the within cause on the day and date hereof.)

21

22

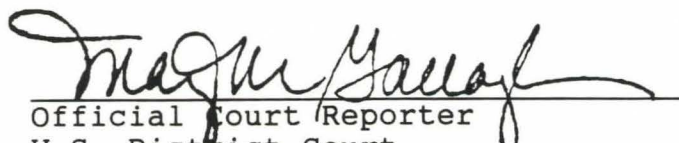
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CERTIFICATE

I HEREBY CERTIFY that the foregoing is a true,
correct and complete transcript of the proceedings had at the
hearing of the aforementioned cause on the day and date hereof.



Official Court Reporter
U.S. District Court
Northern District of Illinois
Eastern Division



Date

MARY M. GALLAGHER, CSR

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

DOROTHY GAUTREAUX, at al.,)	
)	
Plaintiffs,)	
)	
v.	)	66 C 1459
)	
CHICAGO HOUSING AUTHORITY,	)	Hon. Marvin E. Aspen
)	
Defendant.)	

AFFIDAVIT OF PHILIP A. HICKMAN

Philip A. Hickman, having first been sworn upon oath, states:

82. I have previously submitted affidavits on March 18, March 30, and April 7, 1998. In order to avoid confusion with the Affidavits of March 18 and March 30, this Affidavit is numbered consecutively to them.

83. On March 31, 1998 HUD published in the Federal Register (and thereafter the Receiver learned) that a new HOPE VI notice of fund availability, or "SuperNOFA," would be made available for HOPE VI, with applications due to HUD on June 29, 1998.

84. Representatives of the Receiver contacted officials of the CHA, the City of Chicago and HUD to implement a joint planning process.

85. On Friday, May 15, 1998 Karen Cady of Habitat and I met at the request of representatives of the City of Chicago to review and discuss the City's

suggestions for the revitalization of ABLA Homes in anticipation of the submission to HUD of HOPE VI applications pursuant to the SuperNOFA. The City officials present were Shannon DeWith of the City's Department of Planning and Development and Thom Finerty, a consultant to the Department for the ABLA redevelopment. Alexander Polikoff was also present.

86. The meeting lasted about two hours. The City described its conceptual plans for the redevelopment of ABLA as a viable and long-term sustainable mixed income community. The City's representatives requested the participation of The Habitat Company, as Receiver in the Gautreaux litigation, in the preparation of a HOPE VI application for SuperNOFA funds that would embody that plan.

87. On behalf of Habitat, we informed Ms. DeWith and Mr. Finerty that we supported the City's general approach to the redevelopment of the ABLA site, that we would participate in planning activities with the City, and we hoped cooperatively with the CHA, in preparing such an application. We stated that we looked forward to submission of a strong HOPE VI application that would involve input from all of the stakeholders (i.e., the City, CHA, residents, Gautreaux plaintiffs, community groups, and institutions) and provide funding for key elements of the proposed redevelopment.

88. Both the City's representatives and we agreed that it would be feasible to prepare such an application by the submission date of June 29, 1998.

89. On that and other occasions, City officials have expressed to me and other representatives of the Receiver that they want to work with the Receiver and the CHA to prepare a joint HOPE VI application. Based on statements made by Ms. DeWith and others, I believe that a good working relationship exists between the Receiver and the City and that a strong and competitive HOPE VI application can be submitted by the June 29, 1998 deadline, should the CHA cooperate.

90. Both the Receiver and the City have sought the CHA's full participation and cooperation in the application process. Ms. DeWith told me on May 15 that the City would like to work cooperatively with the Receiver and CHA to produce a strong HOPE VI Application. I told her that the Receiver has the same objective. She repeated that objective to me again on May 20 in a telephone conversation and informed me that Julia Stasch, Commissioner of the City of Chicago Department of Housing, has scheduled a meeting for Friday, May 22, 1998 to be attended by representatives of the Receiver, CHA and the City.

91. The strongest HOPE VI application would also be in compliance with the requirements of the remedial orders entered in this case. This Court ruled on February 23, HOPE VI does not require that all replacement housing be built in the same neighborhood. In addition, if appropriate, a "revitalizing area" designation

would allow some or perhaps all of the new housing to be built in or near the same neighborhood as housing it replaces, in compliance with Gautreaux.

92. The City has informed us that the CHA believes that ABLA is the best choice for the SuperNOFA HOPE VI application. We have told the City representatives that we agree.

93. As currently envisioned, the proposed ABLA redevelopment plan would include seeking Court approval for a designation of a portion of the ABLA areas as a "Revitalizing Area." The Court's approval would be sought before submission of the HOPE VI application to HUD. Counsel for the plaintiff class were present at the May 15 meeting, and indicated their support for this concept with respect to ABLA.

94. As the Court will recall, the Revitalizing Area designation has been approved by the Court three times in the past for other areas (at Henry Horner Homes, North Kenwood-Oakland, and Cabrini-Green). Designating an areas as a "Revitalizing Area" under the decree -- as was done in Horner Phase I and North Kenwood -- allows housing to be built in a Limited Public Housing Area instead of requiring that additional housing in the General Area be built in a one-for-one ratio, as mandated by the Gautreaux decree, as amended.

95. The Affidavit of Joseph Shuldiner ¶15 incorrectly suggests that this Court's Orders would "restrict tenant choice" by requiring one-half of the replace-

ment units to be in the General Area. That statement is factually in error for several reasons. First, if a portion of the ABLA area is designated a "Revitalizing Area," replacement housing would be built there, and not in the General Area. Second, in past developments, such as Horner, about half of the tenants have accepted Section 8 certificates or other placement outside of their old neighborhood. Thus, even if ABLA were not designated a Revitalizing Area, it is likely that tenant choice would not be restricted. Third, not all of the housing need be built at ABLA under the HOPE VI program (although the application may provide for that); if some is built elsewhere, tenants would be given a range of choices not currently available.

96. Thus, the statements in the Shuldiner Affidavit at ¶¶13-14 that a competitive HOPE VI application cannot be made consistent with the Gautreaux decree's requirements are, based on the facts set forth above, incorrect.

97. The CHA's suggestion, Motion ¶32, that the Receiver has not participated in the preparation of prior HOPE VI applications is also incorrect. The history of our work on the HOPE VI process is told in my prior Affidavits at ¶¶17-72. The Receiver approved and participated in the CHA's preparation of applications for HOPE VI funds at Horner and ABLA/I in 1995-96. That was the last peaceable *status quo*, as discussed in the Affidavits previously filed with the Court.

98. It is possible, however, that the CHA's Taylor application did not comply with orders entered in this case. That is the application that the CHA

inaccurately told us would not include a request for housing development funds. See Hickman Aff't ¶¶58-62. It is also possible that last year's ABLA application, which HUD rejected after the CHA refused to allow the Receiver to participate, also may not have complied with orders entered in this case. (CHA has not given the Receiver a copy of the ABLA application, although one of our lawyers had brief access to it yesterday.)

99. The Shuldiner Affidavit ¶15 implies that the Receiver's plans would somehow inhibit tenant choice or participation. The Receiver fully intends, in cooperation with the City and the CHA, to solicit the participation and input of ABLA residents as required by the HOPE VI program. Mr. Shuldiner's implication that the Receiver is seeking to constrict tenant choice or involvement is untrue.

100. The CHA's Motion to Stay at ¶¶18-20 questions the qualifications of the Receiver to apply for HOPE VI funding with the CHA. Since the inception of the Receivership, the Receiver has developed approximately 2,200 housing units, which are now either completed or under construction.

101. Since inception of the Receivership, the Receiver has prepared over 80 housing development proposals that HUD has approved. As CHA acknowledges, the Receiver worked cooperatively with CHA in the preparation of the successful HOPE VI applications for Horner and ABLA in 1996. The Receiver is fully capable of working with the City and the CHA on the forthcoming application. The HOPE VI process is similar to other public housing neighborhood revitalization develop-

ment in which the Receiver has been engaged, such as at Henry Horner and Kenwood-Oakland. The portion of the HOPE VI Program in which the Receiver has been involved is essentially an additional HUD program for funding non-elderly public housing, and the development of such housing is precisely what the Receiver has done since 1987.

102. In contrast, the CHA has submitted two HOPE VI funding requests where it was awarded funding, in one case (Cabrini-Green) without the knowledge of the Receiver, Hickman Aff't ¶¶18-20, and in one (Taylor) without the Receiver's participation, after misinforming the Receiver concerning the nature of the request, Hickman Aff't ¶¶58-62. As told in Affidavits filed with this Court, the CHA initially agreed for the Receiver to act under the label of "development manager" of the housing at Cabrini-Green, then changed its mind and began to exclude the Receiver. See Hickman Aff't ¶¶21-46.

103. Contrary to the implications in Shuldiner Aff't ¶8, to date, the CHA has not built one unit of housing with the HOPE VI funds for Cabrini-Green and Taylor. Success in building HOPE VI housing with prior grants is a criteria for obtaining additional HOPE VI money from HUD.

104. CHA submitted a HOPE VI application for funding for ABLA in 1997 without the cooperation or assistance of the Receiver. As discussed in the Valerie Jarrett Aff't ¶¶14-18, the CHA rejected the Receiver's request to participate in the application. The CHA plan contained in the application did not have prior approval

of the Gautreaux Court or the Gautreaux plaintiffs. The application was not funded by HUD.

105. The 1998 HOPE VI process gives emphasis to and awards points for applications that have the strong cooperation and financial support of the City, and all other stakeholders. We are confident that with all the stakeholders' support, the 1998 application will receive a higher ranking than the rejected 1997 application submitted by CHA, and hence have a higher probability of being funded.

106. In January 1998, HUD Secretary Cuomo conferred the Secretary's Platinum Award on the Horner Homes Redevelopment Program. The Receiver is the developer for this \$50 million program. A copy of the announcement of the Platinum Award is attached hereto. Last month, the Receiver received the "Good Neighbor Award" from the Chicago Association of Realtors ("CAR") in its "New Construction of Rental and Affordable Housing" category. When the award was announced, the president of CAR, James Ascot, said that "The Henry Horner Replacement Program's indistinguishable housing from market rate units will stand as a model of urban restoration in which future public housing replacements will be measured." Also, the Receiver's scattered site program received the Urban Land Institute's Award of Excellence in 1996. A copy of the ULI announcement is also attached, along with pictures of the Horner replacement townhomes.

107. HUD's stated position in the SuperNOFA is that its decisions concerning funding applications are influenced by its view of the capabilities of the

recipient. In prior HOPE VI awards, HUD was informed that the Receiver would be functioning as development manager. In the one that was rejected last year, CHA attempted to obtain the funds to the exclusion of the Receiver -- and failed to receive funding.

108. Paragraph 21 of the Shuldiner Affidavit states that "the receiver has told the CHA that it is not feasible to build additional public housing units in the General Area." That is untrue. To my knowledge, the Receiver has not made such a statement. In fact, the Receiver has acquired units within the last 90 days in the General Area and has other units currently in the pipeline.

109. As Valerie Jarrett of the Receiver's staff told the Court yesterday, officials at the City have told us that they have met with the CHA to discuss the pending HOPE VI application, but that the CHA instructed the City that the Receiver could not be invited to attend such a meeting.



110. A meeting with the City and the CHA has been scheduled for tomorrow, May 22. We intend to attend, and trust the CHA will also attend to work on this application in a cooperative manner.

111. As part of our work on scattered site housing and the Horner replacement program, we have worked with CHA tenant groups and neighborhood residents on many occasions. We have had dozens, if not hundreds of meetings with representatives of residents at Horner alone. Cooperation from the CHA would substantially facilitate such work.

112. The foregoing matters are based upon my own personal knowledge. I would so testify if called as a witness.


Philip A. Hickman

Subscribed and sworn to
before me this 21st day of
May, 1998.

*The Scattered Site and
Replacement Housing Programs*

*Developed by:
The Habitat Company, Receiver for the
Chicago Housing Authority
Chicago, Illinois*

May 1998



THE HABITAT COMPANY

“Management Makes the Difference”

The Habitat Company was founded in 1971 by Daniel Levin to create a company that would develop and manage real estate designed and built to meet the diverse urban living needs of Chicago.

The company has met that goal. Today, The Habitat Company is one of the nation's premiere developers and managers of residential apartments, having developed more than 15,000 rental housing units, and managing more than 14,000, primarily in metropolitan Chicago and Detroit. Additionally, The Habitat Company provides residential and commercial brokerage services, telecommunications and corporate relocation services.

The company's properties reflect a wide range of urban needs including:

- Cityfront Place -- luxury rental residences at the confluence of the Chicago River and Lake Michigan;
- The Buckingham -- luxury condominium residences on Chicago's lakefront;
- The Pines of Edgewater, Kenmore Plaza and West Point Plaza -- subsidized moderate and low-income housing and senior developments.

The Habitat Company has been a pioneer in concepts of housing and other unique developments, bringing creative ideas and quality management to the challenges of creating urban communities. Among the company's most notable innovations are:

South Commons (1969 - 1973) -- One of the nation's first mixed income housing developments consisting of more than 1,500 units on 30 acres where residents in highrises, midrises and townhomes with diverse incomes and ethnic backgrounds share common facilities and experience.

Presidential Towers (1985) -- Developed in a multi-block area that had been vacant since the mid 1960s, the 2,346-unit, four-tower development anchored the revitalization of Chicago's Near West Side.

Cityfront Place (1991) -- Built with a magnificent view of the Chicago River as it flows into Lake Michigan, the two mid-rise buildings surrounding one high rise tower house 904 of the most luxurious apartments in the city. Cityfront Place is the first phase of a planned 60-acre redevelopment at Cityfront Center.

Receiver/Development Manager for CHA (since 1987) -- Appointed by the Federal Courts to be the receiver for the Chicago Housing Authority in the development of housing for very low income tenants. In 10 years The Habitat Company has completed the development of more than 1,600 units of housing throughout the city of Chicago. The firm has been appointed the development manager for the deconstruction and redevelopment of three of the nation's largest public housing projects as mixed-income communities that will act as a revitalizing force for both residents and for the communities in which the buildings stand.

Joint Venture Developer -- with community organizations, Horner Association of Men/Chinese American Development Corporation (HAM/CADC), for low- and moderate-income housing on West and Near South side of Chicago.



THE HABITAT COMPANY

SCATTERED SITE HOUSING PROGRAM

Chicago, Illinois
Fact Sheet

WHAT ARE THE SCATTERED SITE HOMES?

In 43 community areas across the City of Chicago, a private developer, The Habitat Company, is building townhomes and acquiring for rehabilitation walk-up two- and three-flat apartments, designed by award-winning architects, for occupancy by low-income families. In South Shore and West Town, Habitat has also developed senior buildings with 51 units each as part of a senior-family cluster.

The small scale properties are scattered from 7400 north on the far north side to 111th Street on the far south side. To date, more than 2200 units have been completed and transferred and under construction.

Designed to blend in with each individual block and neighborhood, the more than 30 different Scattered Site exteriors and floor plans provide high quality and efficiently designed living spaces for residents. Habitat selected 20 architectural firms known for their luxury apartment and townhome design throughout Chicago. The design firms are:

- | | |
|--|---|
| <input type="checkbox"/> Nagle, Hartray & Associates | <input type="checkbox"/> Gelick Foran Ltd. |
| <input type="checkbox"/> Harry Weese & Associates | <input type="checkbox"/> Triad Consortium, Ltd. |
| <input type="checkbox"/> Bauhs & Dring, Ltd. | <input type="checkbox"/> Johnson & Lee, Ltd. |
| <input type="checkbox"/> Papageorge Haymes | <input type="checkbox"/> Roy H. Kruse & Associates |
| <input type="checkbox"/> Solomon, Cordwell, Buenz & Associates, Inc. | <input type="checkbox"/> Mayer, Jeffers, Gillespie Architects |
| <input type="checkbox"/> Elizabeth Purdy & Associates | <input type="checkbox"/> Dearborn Associates |
| <input type="checkbox"/> Urban Works, Ltd. | <input type="checkbox"/> Phillip Kupritz & Associates |
| <input type="checkbox"/> Nathan Kipnis Architects | <input type="checkbox"/> Mann, Gin, Ebel & Frazier |
| <input type="checkbox"/> Thomas & Thomas | <input type="checkbox"/> Smith & Smith |
| <input type="checkbox"/> Landon Architects | <input type="checkbox"/> Metropolis |

Scattered Site Homes are built by bonded contractors operating under the Davis-Bacon Act, who bid on the work in an open and public bidding process. Neither The Habitat Company nor the CHA does the construction work, although Habitat is responsible for overall management of the development process. Plans and specifications are approved by HUD and the Chicago Building Department.

PRIVATE MANAGERS

All of the Scattered Site Homes are managed by private management companies with extensive experience in apartment management. Four are nonprofit management organizations and two are for-profit companies. All have professional staff and management offices in their respective neighborhoods.

The East Bank Club (1980) -- This 400,000-square-foot facility with four swimming pools, tennis courts, full workout facilities, health maintenance services, restaurants, spas and meeting rooms changed the industry's thinking about the potential and scope of urban recreational facilities.

THE HABITAT COMPANY

Development, Asset Management, Residential and Commercial Property Management.

The Habitat Company Brokerage Division -- residential and commercial sales and leasing.

Habitat Corporate Suites Network -- corporate relocation and furnished rental apartments.

AFFILIATED FIRMS

Wedgewood Communications -- Telephone and Cable TV Systems

PRINCIPALS:

Daniel Levin, Chairman

Douglas R. Woodworth, President

Valerie B. Jarrett, Executive Vice President

Philip A. Hickman, Senior Vice President

PROPERTIES DEVELOPED AND MANAGED

Asbury Plaza 384 Units 1981 (MR)

City Front Place 904 Units 1991 (MR)

Columbus Plaza 532 Units 1980 (MR)

East Bank Club - the most successful in-city health and fitness facility in the country

Elm Street Plaza 396 Units 1976 (MR)

Heritage House 144 Units (TC)

Huron Plaza 460 Units (MR)

711 Gordon Terrace 90 Units (MR)

Kenmore Plaza 324 Units 1974 (E)

Lafayette Towers 584 Units (MX)

540 Lake Shore Drive 150 Lofts 1983 (CC)

Lincoln Park Terrace 433 Units 1973 (CC)

Lincoln Park Terrace 343 Units 1968 (CC)

Long Grove House 448 Units 1969 (SH)

Newberry Plaza 624 Units 1973 (MR) (C)

Oak Park Club 30 Condominiums Oak Park, IL (CC)

Pavillion Apartments 340 Units 1957 Detroit, MI (MR)

Pines of Edgewater I 279 Units 1980 (SH)

Pines of Edgewater II 217 Units 1983 (SH)

Presidential Towers 2,346 Units 1985 (MR)

Quadrangle House 261 Units 1969 (MR)

South Commons 1,529 Units 1964-1972 (MX)

Paul G. Stewart Apts. 170 Units 1976 (E)

West Point Plaza 200 Units 1978 (E)

Wheaton Center 760 Units (MR)

OTHER MANAGED PROPERTIES

Bethel New Life, 1420 North Lake Shore Drive

Gold Coast Galleria, 111 West Maple

The New York, 3660 North Lake Shore Drive

MR: Market Rate Rental Building

E: Elderly Housing

CC: Condominium Conversion

SH: Subsidized Family Housing

C: Commercial

MX: Mixed Market Family, Subsidized Elderly, Townhouse

SRO: Single Room Occupancy

TC: Section 42 Tax Credit



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Chicago, Illinois
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| <input type="checkbox"/> Papageorge Haymes | <input type="checkbox"/> Roy H. Kruse & Associates |
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- ☐ Housing Resource Center, a division of Hull House (nonprofit)
- ☐ Hispanic Housing Development Corporation (nonprofit)
- ☐ Lutheran Social Services of Illinois (nonprofit)
- ☐ The Woodlawn Community Development Corporation (nonprofit)
- ☐ William Moorehead & Associates (for profit)
- ☐ Pinnacle Realty (for profit)

RESIDENT SELECTION

Residents of the Scattered Site Homes are families who make less than 80 percent of the median family income in Chicago. A family of four making less than approximately \$40,000 currently meet the income guidelines. **Fifty percent of the units go to community residents. The remaining 50% are chosen from the CHA waiting list and the CHA transfer list.**

UNIQUE ASPECTS OF THE SCATTERED SITE PROGRAM

Stemming from the 25-year-old "Gautreaux" court order and a more recent decision by a U.S. District Court Judge, The Habitat Company, one of the largest private developers and managers of residential housing in Chicago, was appointed Receiver for the development of the Chicago Housing Authority's Scattered Site Program.

As a result, the program is unique because the entire process has been privatized. That is, a private company, Habitat, manages the entire development process and property management of the buildings is contracted by private firms. While the legal owner of the buildings is the CHA, accountability is built into the system with the strict supervision of private firms involved in design, construction, and the property management.

ABOUT HABITAT

Since the 1960s Habitat has developed over 14,000 apartments and condominiums in Chicago, including 4,100 units of low-income housing.

The Habitat Company has demonstrated its expertise in rehabilitation of historic properties with such Scattered Site rehabs as the building at 4655 N. Malden and 4526 N. Magnolia, in the Sheridan Park Historic District in Uptown. With its renovated stone facade, the Magnolia building offers apartments for six families, while an adjacent six-flat of comparable value was recently converted to luxury condominiums.

The Habitat Company manages more than 15,000 residential units at over 30 locations throughout metropolitan Chicago and more than 800,000 square feet of commercial, retail and office space.

Welcome To BALA

Winning entries in the 14th Annual Best In American Living Award program provide lessons on how to better design and build housing for today's demanding marketplace.

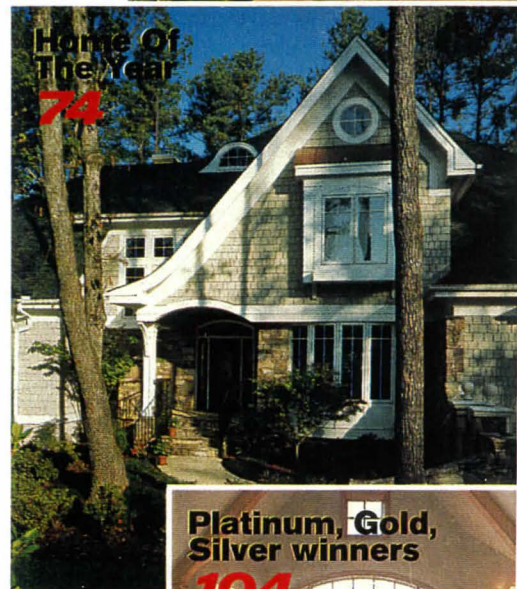
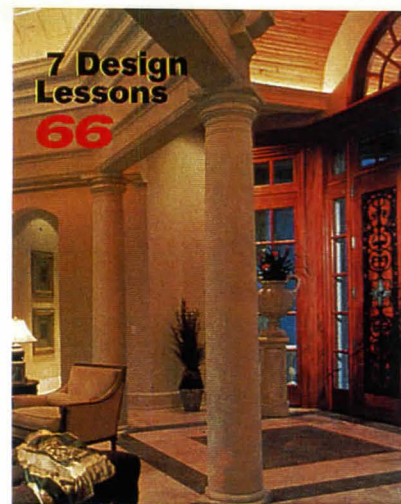
The Best In American Living Award program is a design competition sponsored by *Professional Builder* and the Design Committee of the National Association of Home Builders.

This year, the 14th annual BALA program received 507 entries in 19 categories. Judges scored the entries on exterior design and curb appeal; interior architecture and design; sales success; construction quality and cost efficiency; and site planning. Then, they selected 74 homes and new communities for design recognition.

Here, and on the 67 following pages, we celebrate those winning entries.

Included in this extensive report are special sections on the Home of the Year; Regional design winners; and Platinum, Gold and Silver Award winners; as well as a tribute to the Friends of BALA (p. 180). New this year is the HUD Secretary's Award for Excellence to recognize design excellence produced through cooperative public/private efforts that expand homeownership opportunities for underserved American families.

There is much to be learned from these award winning-designs. And, on the next few pages, we offer "7 Lessons From BALA"—lessons on how to better design and build housing for today's demanding marketplace.



**Friends
of BALA
180**



**BEST IN
AMERICAN
LIVING**
A·W·A·R·D

**Professional
Builder**



NAHB

**Builder/Architect/
Developer:**

**New England
Builders**

Land Planner:

**Solomon,
Cordwell,
Buenz & Assoc.**



PLATINUM AWARD

HUD Secretary's Award For Excellence

Professional Builder

Residents Help Rebuild Chicago Neighborhood



As part of the privatization of public housing, New England Builders built 56 new townhomes in the Henry Horner Revitalization Program on the west side of Chicago.

In collaboration with the Receiver for the Chicago Housing Authority's Scattered Site, Demonstration and Replacement Programs, New England Builders wanted to provide both the city and local residents with housing similar to market-rate.

The average price of the units is \$88,500, with sizes ranging from 740 to 1480 square feet. Hard cost are \$78 per square foot.

Through input from The Horner Association of Men, a nonprofit community development corporation in the area, local residents were identified to qualify for full-time job opportunities.

With the help of various trade unions working on the program, New England Builders offered preapprenticeship Step Up training programs for Section 3 residents. The residents did not need experience in construction, but rather they received training with various trades for up to a year.

Also, workers were



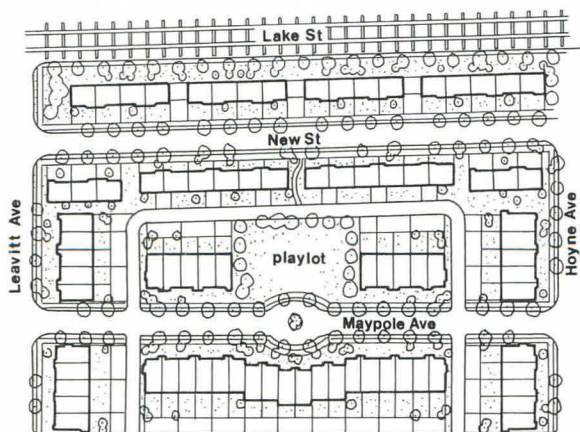
Exterior of the 56-unit Henry Horner Revitalization townhome project looks like market-rate housing rather than public housing. Local residents, trained in various trades, helped to build the project.

PHOTOGRAPHY BY HEDRICH BLESSING PHOTOGRAPHERS

required to remain drug-free and pursue their high-school diplomas. After completing a one-year preapprenticeship, the unions agree to accept them into an apprenticeship program.

About 80% of New England Builders' construction crews have been hired from the inner-city project areas. Local businesses offered materials and services as well.

"We helped fuel economic growth in depressed areas of the city by providing meaningful and substantial employment, thus regenerating raw funding back into the community," the company says. "We weren't looking for solutions from the outside, we were finding solutions from within." □




HEIDICH-BLESSING

Project Data

Location: Chicago, Illinois
Developer: The Habitat Company for the U.S. Department of Housing and Urban Development
Size: Scattered sites within Chicago's city limits
Residential Units: 1,350 completed; 350 under construction; 1,950 at completion
Completed: 87 percent complete in mid-1996



Special Award

Chicago Scattered-Site Program

Because of its successful track record and philosophy that housing for the poor need not be poor housing, the Habitat Company was appointed receiver of the Chicago Housing Authority's (CHA's) scattered-site housing program by the federal court in Chicago in 1987. The program had been mandated by the Gautreaux decision, which required that Chicago's public housing be more dispersed, but had foundered for 14 years.

Habitat was not interested in developing standard CHA housing in different neighborhoods. Instead, the company wanted to site, design, and build attractive housing within budget for CHA-eligible families. By means of a detailed land survey, the company found sites (mostly abandoned buildings or vacant land) in 22 racially mixed and stable neighborhoods with populations that met the court-ordered standard of less than 30 percent African American (by U.S. census tract).

Habitat used 15 experienced residential architectural firms from Chicago and focused on residential character and low life-cycle costs for interior and exterior materials and finishes. Private property management companies with a strong base in the local community manage all the units.

The average density of the new housing is less than four units per site. In most neighborhoods, the public housing units make up only a fraction of 1 percent of the total housing stock, and neighbors tend to rate the overall appearance of the new units as "good" or "excellent." Costs per dwelling unit currently average \$110,000 (including land, soft costs, and construction), which is under allowable budgets. Turnkey construction whereby Habitat sells land to a builder who sells the development back to CHA, the owner of record, consistently comes in 5 to 10 percent under HUD budgets.

Official Statement of Award

"In its program to develop and manage decent and neighborly housing for very low-income families, the Habitat Company has become, in essence, a privatized public housing authority, and it is doing an outstanding job. Market-rate housing is going up next door to many of its scattered-site projects."

From a scattered-site housing program for families with very low incomes in Chicago to an upscale residential community in suburban Washington, D.C., from a revitalized public park in New York City to an entertainment retail center in Las Vegas, eight award-winning projects exemplify superior development practices.

THE 1996 ULI Awards FOR Excellence

1996 ULI Awards for Excellence Jury

Ronald C. Nahas

Jury Chair

Partner

R.T. Nahas Company
Orinda, California

Charles R. Kendrick, Jr.

Jury Assistant Chair

Managing Director
Calrion Ventures, L.L.C.
Boston, Massachusetts

James M. DeFrancia

Chairman

Lowe Enterprises Mid-Atlantic, Inc.
Sterling, Virginia

W. Joseph Duckworth

Chief Executive Officer

Realen Homes
Ambler, Pennsylvania

John L. Field

Principal Architect
Field Paoli Architects
San Francisco, California

Charles E. Fraser

President

Charles E. Fraser Company, L.L.C.
Hilton Head, South Carolina

Walter A. Koebel

Chairman of the Board

Koebel and Company
Denver, Colorado

A. Eugene Kohn

President

Kohn Pedersen Fox
Associates, P.C.
New York, New York

Todd W. Mansfield

Executive Vice President/

General Manager
Walt Disney Imagineering
Celebration, Florida

Carol D. Nichols

Vice President and

Managing Director
Teachers Insurance & Annuity
Association of America
New York, New York

Donald R. Riehl

President

D.R. Riehl, Inc.
Pacific Grove, California

Guyia Sineri

Executive Vice President
United Commercial Realty
San Antonio, Texas

Jon L. Wellhoefer

Executive Vice President
Milwaukee Redevelopment
Corporation
Milwaukee, Wisconsin

Each year, the Urban Land Institute presents the ULI Awards for Excellence to honor development projects that represent superior land planning and development, resourceful use of land, relevance to contemporary issues, and sensitivity to the environment. Only projects that are substantially complete and financially viable and that demonstrate relevance to the current and future needs of their community are eligible. The winners of the 1996 ULI Awards for Excellence demonstrate these qualities, setting standards of development for others to emulate.

Established in 1979, ULI's Awards for Excellence program recognizes the most outstanding projects in the United States and Canada. In 1994, projects in Spain, England, Mexico, the Netherlands, and Australia became eligible for a new International Award.

All projects submitted for consideration are evaluated carefully by a jury of 13 ULI members. The members of this year's jury are listed below.

Eight projects won awards this year. Together, they cover a wide range, from a golf-oriented primary home community to affordable single-family housing at a density of more than 13 units per acre, from the restoration of a public park in a high-rise office district to the construction of an upscale mixed-use building overlooking another public park. A shopping center, a resort, an office building, and scattered-site housing for families with very low incomes also won awards. Each project represented an excellent example of its type of land use and an innovative and successful development response to its site.

This year's 112 entries fell into 12 award categories: office, residential, recreational, mixed use, business park, commercial/hotel, new community, rehabilitation, public, international, special, and heritage. In a single year, the jury may grant as many as six domestic project awards, up to two special awards, up to two international awards, and one heritage award. It may give only two awards per award category—one for a large-scale project and one for a small-scale project. No more than three domestic awards may be presented to large-scale projects. The special award was established in 1986 to recognize projects that might not meet all the eligibility requirements but that are otherwise models of successful development.

The 1996 ULI Awards for Excellence winners were announced at a ceremony at ULI's fall meeting in November in San Francisco. The 1997 "Call for Entries" will be bound into the February issue of *Urban Land*.

The summary descriptions of the award-winning projects on the following pages were written by Libby Howland, former editor of Urban Land and a Takoma Park, Maryland-based writer and editor.



National Housing Conference

NHC NEWS

Volume 5, No. 1

Spring 1997

**A Look At Neo-Traditional Issues:
Celebration & its counterparts**
begins on page 6

**FHLBanks Role in
Affordable Housing**
begins on page 12



Four 4-bedroom, two-story units designed by Baulis, Dring & Main. In-fill townhouses compatible with existing architecture.

ULI Special Award Just The Beginning for Chicago's Habitat Company

"People buy a neighborhood, and people rent on the same principle," says Philip Hickman, Senior Vice President, The Habitat Company and director of its Scattered Site Program. "Our scattered site program creates a whole different environment that permits low income families to live in a decent atmosphere."

successful execution won the privately owned Habitat Company a 1996 Urban Land Institute Award for Excellence for its Scattered Site Program in Chicago. The judges said that the company "has become, in essence, a privatized public housing authority, and is doing an outstanding job. Market-rate housing is going up next door to many of its scattered site projects."

The Habitat Company (THC), which has just celebrated its 25th anniversary, was appointed the receiver of the Chicago Housing Authority's (CHA) scattered site housing program in 1987. The dispersed housing program had been mandated by the 1966 Gautreaux decision. Under CHA it had a 14 year record of failure.

Led by its chairman, Daniel Levin, THC's goal has been to redefine the city into thriving communities. THC has developed affordable housing, luxury high-rises and today, its portfolio includes over 35 properties in the metropolitan area of Chicago. It houses 14,000 families and includes more than 800,000 square feet of commercial, retail and office space.

An excellent track record as well as its philosophy that housing for the poor need not be poor housing brought THC to the attention of the federal courts. The courts were then looking for someone to take over the CHA task of creating 1,600 public housing units with funding from the Department of Housing and Urban Development (HUD).

This philosophy and its

The company surveyed the city, finding sites in 22 racially mixed and stable neighborhoods. Most were abandoned buildings or empty lots. THC retained 15 leading architectural firms who were charged with creating attractive units using low cost interior and exterior materials and finishes that would last. The average density is less than four units per site, and the average cost was \$110,000 per unit including land, soft costs and construction.

The company used turnkey construction, selling land to a builder who sells the development back to CHA, consistently coming in five to ten percent under HUD budget. All are managed by private property management companies.

Bringing public housing into communities often meets with resistance. The Habitat Company overcame this by building attractive housing that blends seamlessly into the neighborhoods. Units usually make up only a small fraction of the total housing in the area.

Habitat Now Expanding Programs

The initial plan for 1,400 units mushroomed into 3,277. One part of the scattered site program is the "Demonstration Program," which is primarily for non-traditional public housing locations and includes 375 units with a \$36 million price tag. The criteria call for low density housing consisting of single family houses, town homes, two or three multi-unit buildings, with a maximum of two or three buildings per census tract.

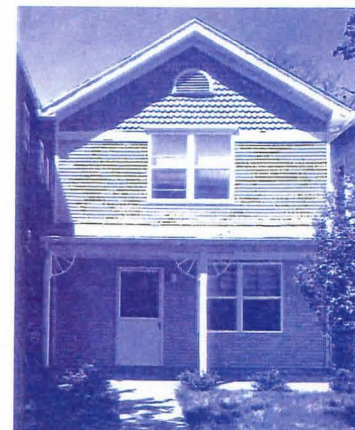
This will be about fifty-fifty new construction and rehabilitation. The rehab of existing buildings tends to make the move into neighborhoods less controversial,

THC finds. Fifty percent of the units are slated for local residents with the others coming from CHA's general or transfer waiting list.

Habitat also is working on the "Replacement Housing" program which calls for 1,294 units with a budget of \$150 million. Among the public housing projects scheduled for replacement is the notorious Henry Horner Extension area. THC and five nonprofit community development corporations (CDCs) are joint venturing with a private construction company.

The six year, five phase venture is a collaborative process. THC is working with the City of Chicago on

land acquisition and infrastructure; CHA on planning, demolition and tenant relocation; residents on community development, design, job opportunities and relocation; and with the CDCs and HUD on financing.



Three bedroom detached single family house designed by Solomon, Cordwell, Buenz and Associates. This and similar houses use modular design and utilize efficient techniques such as prefabricated wooden stud panels.

The first ten families moved into their units in January.

Occupancy of the remaining 46 of the first 56 units is scheduled to occur this spring. The replacement housing will be low density: new town homes or two to three unit buildings with private entrances, off-street parking, fenced yards, and some garages. The city is reestablishing the traditional street grid as part of the design scheme. So far, five high-rises have been torn down and there are six more to go. New units will be built on site and on 130 lots throughout the decimated neighborhood. Altogether, the project will cover about 40 blocks.

Hickman says that drugs and crime led to disinvestment in the neighborhood. The development plan includes open spaces that allow children to play outside.

"Diffusing the criminals and holding people accountable for their behavior...one strike and you're out...will make the difference," Hickman believes, in creating a new environment.

Half of the residents will be current Horner tenants with very low incomes. The remaining will be working families with incomes from fifty to eighty percent of area median. Employment of residents under HUD's Section 3 program stems from a model agreement with the Chicago Building Construction and Trades Council for the provision of job training and employment of residents during construction. 🏠



Two cluster housing projects each contain a senior housing 50-apartment building and 50 townhouses located within eight blocks of the senior building. The management and maintenance offices in the apartment house serve all units. Designed by Nagle, Hartray, Danker, Kagan, McKay.

REDEVELOPMENT

PROGRAMS

The Replacement Housing Program provides for the development of new housing: single family homes, duplex and town homes in low density in-fill neighborhoods and on larger sites formerly occupied by large high rise buildings.

The objective of this Program is to offer low-income families housing options in mixed-income communities by revitalizing neighborhoods or recreating the neighborhood. This Program is a collaborative effort involving the City of Chicago, HUD, CHA, public housing residents, community groups, CDCs and The Habitat Company. The public/private/non-profit sector approach is required to transform large distressed public housing developments into models of successful affordable housing and demonstrates the possibilities when given sufficient freedom, flexibility and funding.

The Federal Court approved the redevelopment plan for the former Horner Homes and the Lakefront properties in Kenwood/Oakland. The Cabrini Hope VI program is in the planning stage. In all cases, the large high rise "superblock" sites will be eliminated and the traditional street grid restored with two and three story dwellings, each with their own private entrance.



THE HABITAT COMPANY

HENRY HORNER HOMES *Redevelopment Fact Sheet*

The agreement for the redevelopment of the Henry Horner Extension area among the CHA, HUD and the Horner Resident Council was approved by Judge James Zagel in August, 1995. Under the plan The Habitat Company, in its capacity as Receiver for the Chicago Housing Authority Replacement Housing Program, is the Development Manager in a joint venture partnership with Chicago Metropolitan Housing Development Corporation. The Horner Revitalization Program boundaries are defined by Ashland Avenue on the east, Kedzie Avenue on the west, Lake Street on the north and Van Buren Street on the south. Following is a summation of the plan:

Scope: A six-year, five-phase program initially involved the demolition of 466 units in two high-rise and three mid-rise buildings (completed) and the replacement of these 466 units. Horner residents will be provided with a choice of returning to replacement or rehabbed housing in the area, scattered site housing throughout the city, or the use of Section 8 Certificates. Phase II has been funded under the 1996 HOPE VI program. Demolition of six high-rise buildings is planned and 150 new units will be constructed on the site of the former high-rises.

Replacement Housing: Planned replacement housing units will be new town homes or two- or three-flat buildings both on the present site and in the Horner Revitalization area. The vast majority of units (373) will be located east of Western Avenue, with the remaining 93 units to be placed west of Western Avenue. All replacement housing will be low density and low rise with private entrances in keeping with the style of the surrounding community.

Half of the occupants will be current Horner tenants with very low incomes. The remaining 50 percent will be working families whose incomes range from 50 percent to 80 percent of the area median income (for a family of four, the range in income is approximately \$25,000 to \$40,000 per year).

Developers: All housing will be constructed and managed by the private sector. Five joint ventures involving community development corporations and for-profit contractors have been selected for the redevelopment. The five teams selected are: Horner Association of Men/New England Builders; Near West Side CDC/MCL/ASD L.L.C.; Acom Housing/Thrush Development; Renaissance Development/Cyrus Development Group; and Hull House Association/Enterprise Development. Each partnership involves a community developer named in Judge Zagel's order.

Architects Among the architects designing the new buildings are the award-winning firms of Solomon Cordwell Buenz & Associates, Johnson & Lee Ltd., and Hammond Beeby & Babka Inc.

Planning: Under Judge Zagel's order, tenant representatives, area residents and institutions, City officials and representatives of CHA and HUD are participating with Habitat in all phases of the planning.

Timeframe: The new construction of the replacement units will be phased. As of March 1998, 149 units have been completed. Another 182 units are under construction. The remaining 135 units in Phase I are in design. Phase II (150 units) is in the planning phase.

Chicago Tribune

Tuesday, March 31, 1998

Out of housing, into homes

'Architecture
of normalcy'
appears to succeed
at weaving
Henry Horner
residents into
fabric of the city



Photo for the Tribune by Geoff Davis

By Blair Kamin
TRIBUNE ARCHITECTURE CRITIC

Chonta White moved with her daughters Marquita (left) and Rayshawnda into a new rowhouse on Maypole Avenue.

What does your home mean to you?

To 26-year-old Chonta White, it means lots of little things, like letting her two girls ride their bicycles on the sidewalk without worrying about them getting shot. It also means controlling the heat in her apartment so the temperature will be at the right level for 6-year-old Rayshawnda, who has asthma. That way, Rayshawnda won't have to go to the hospital emergency room, as she once did when the family lived in a Chicago Housing Authority high-rise, where someone at a central heating plant determined how hot or cold it would be.

Last August, White moved from a 14-story high-rise at 2245 W. Lake St., part of the Henry Horner Homes just north of the United Center, to a brown brick rowhouse with white trim in the 100 block of West Maypole Avenue. Her new place also is public housing, but to hear her talk about it, it's a whole new world. Instead of hearing gunfire at night, she says, it's quiet.

"like you're up in a suburb." When she comes home in the evening from her job as a Target cashier, she no longer must walk up a dark flight of stairs where a mugger might be lurking. She enters through her own front door.

A front door, a thermostat, a sidewalk lined with black wrought-iron fences, concrete stoops

SEE HORNER, PAGE 7

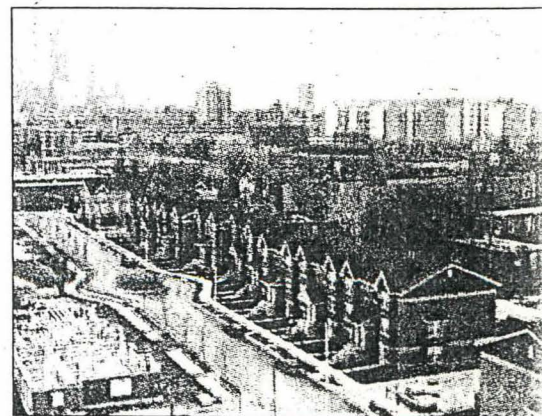


Photo by Steve Kagar

Construction of the United Center spurred renewed interest in the surrounding West Side neighborhood.

Horner

CONTINUED FROM PAGE 1

where people can sit on a warm spring day – it all sounds pretty unspectacular, right? But that's precisely the point. Things like these, so commonplace, so easy to take for granted, were missing from public housing. Combined with decades of neglect by local housing officials and federal policies that packed the projects with the poorest of the poor, their absence created a huge stigma, making public housing the kind of place people would go miles out of their way to avoid.

Now, these small touches are being put back, part of a national effort to draw working families to public housing and to break up the deep concentration of poverty that is the root cause of the projects' litany of pathologies. Call it the architecture of normalcy. While it has yet to work a miraculous transformation at Henry Horner, which is the first large-scale redevelopment of public housing in Chicago, it nonetheless has made major strides toward turning around the lives of people like White. In the process, it is sending a powerful message about the essential role that design has to play in creating thriving communities.

That message is timely because other attempts to remake notorious housing projects here are gathering steam. By Tuesday, for example, real estate developers were to submit plans for the first stage of transforming Cabrini-Green into a racially diverse neighborhood with a mix of income groups that includes the very poor. While the circumstances vary from project to project, the mandate basically is the same: Break down the barriers between public housing and the rest of America.

The subtitle of Alex Kotlowitz's 1991 book about Henry Horner, "There Are No Children Here," went to the heart of this division: "The Story of Two Boys Growing Up in the Other America." The warped expectations formed by this "other America" were encapsulated in the words of the two boys, young brothers named Lafayette and Pharoah Rivers. They would start conversations about the future by saying, "If I grow up," rather than "When I grow up."

Since 1991, things have taken a turn for the better at Henry Horner, and there are many reasons why: the 1994 opening of the United Center, which caused real estate investors to look at the neighborhood anew; a city push to improve streets and other infrastructure on the Near West Side, which culminated with the 1996 Democratic National Convention

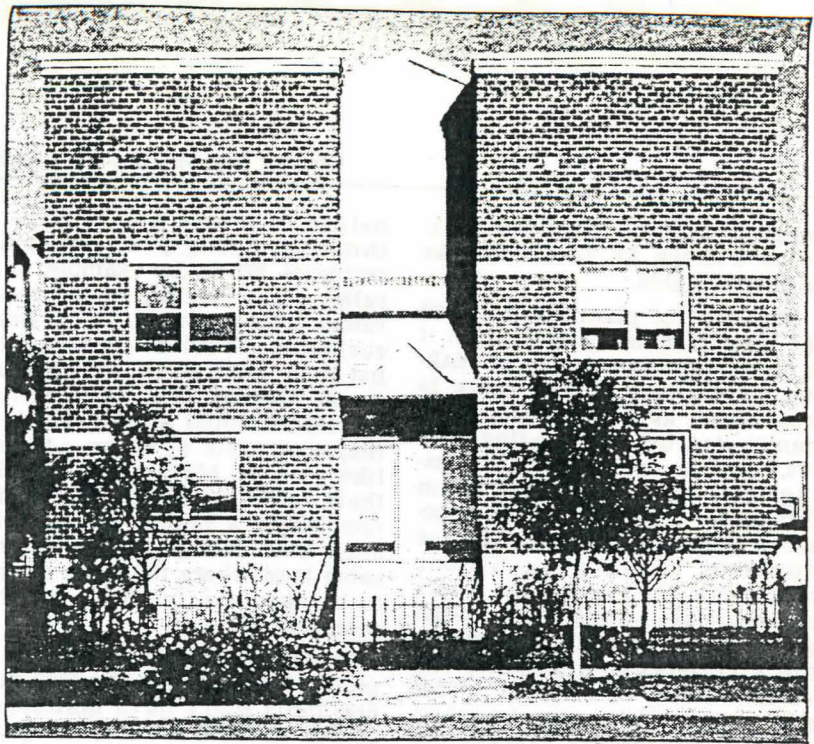


Photo by Hedrich Blessing

Townhouses are replacing tower-in-the-park style public housing.

at the United Center; and the 1995 settlement of a lawsuit filed against the CHA by Horner tenants, which cleared the way for the current reconstruction and renovation.

In brief, this is what is happening as part of a redevelopment program that will cost more than \$125 million. Two high-rises and three mid-rises, which once loomed like giants above the Lake Street elevated train tracks, have been demolished and are being replaced with brown-brick rowhouses, like White's, and townhouses along the L. Outside Henry Horner's borders, vacant lots that once resembled gaps in a row of teeth are being filled in with brick-faced apartment houses. A total of 466 new units are to be built, matching the number lost to demolition. The units are being split evenly between Horner tenants with very low incomes and working families whose incomes range from 50 percent to 80 percent of the median Chicago-area income (about \$25,000 to \$40,000 a year for a family of four). These units are being built by the Habitat Co., the court-appointed, receiver for the CHA's scattered-site housing program.

At the same time, in the shadow of the United Center, the three-building Henry Horner Annex, which former CHA chairman Vincent Lane once vowed to tear down, is being renovated by the Walsh Construction Co. While the Annex's two low-rises remain untouched, the transformation of its seven-story midrise is almost complete, the old red-brick facade repainted beige, gray and white, a palette comparable to that of the

United Center.

That, really, is what distinguishes the new public housing on Chicago's West Side: It strives to be indistinguishable from its surroundings.

Public housing once tried to stand apart. Its architects' motives were pure, even if racist politics confined their towers to urban ghettos. Move the towers back from filthy, packed slums, the architects said. Let them stand in the middle of oversized blocks, or "superblocks," made by closing off streets of the traditional city grid. Give everybody plenty of space, as well as access to light and air. Line the faces of the towers with breezeways, "streets in the sky," where mothers could rock their baby carriages.

The collapse of this tower-in-the-park utopia and the nightmarish conditions that put public housing on the national political agenda are well known even if the root causes aren't. The deterioration resulted as much from federal policies that restricted public housing to the poorest of the poor and a lack of maintenance by local officials as ill-conceived design. But architecture certainly exacerbated the basic problem: the social isolation of the very poor.

That's why the redevelopment plan for the new townhouses and rowhouses, drafted by San Francisco architect Peter Calthorpe and modified by the Chicago architectural firms of Solomon Cordwell Buenz & Associates and Johnson & Lee, is working: It physically reconnects public housing with the area around it. Streets, like Maypole, that were taken out to make way for the

superblocks have been put back. So have alleys. So have sidewalks and street lights.

This sort of planning is called the New Urbanism, but in truth it is the old-fashioned way of making cities. Here, public space is treated not as a wide-open plain punctuated by freestanding towers, as in the original public housing, but as an outdoor room framed by the walls of its three-story buildings, which house duplexes above ground-floor apartments. By varying the colors of the bricks and the profile of the gables over each main entrance, the architects approximate the visual variety of a typical street and suggest the way detached single-family homes express the identity of their occupants.

Say goodbye, in short, to the faceless monotony of public housing.

The design serves practical purposes, too, like encouraging informal surveillance of the street by neighbors looking through windows or people sitting on stoops. Those are the "eyes on the street" absent from the old high-rises, as the urbanologist Jane Jacobs famously observed. Seemingly an ornamental touch, the wrought-iron fences demarcate where the sidewalk's public space ends and the home's private zone starts. They say, in effect: "Don't come in here unless you belong."

Not surprisingly, reported crimes at the Horner complex, which is roughly six blocks long and two blocks wide, dropped by 17 percent from 1996 to 1997, according to the CHA's Henry Horner redevelopment manager, John Tuhey, who also attributes the decline to more evictions, rigorous screening and the presence of additional CHA police and security personnel.

The new construction also

helped to create a new way of thinking among public-housing residents. White, for example, now talks about living in a house rather than a project. In the past, residents would be ashamed to list their address on job applications, fearing that prospective employers would shun them. Now they can write down an address like 2213 W. Maypole and "hold their heads up high," says William Wilen, a lawyer for the tenants. Even though they're on the same land where the towers used to be, they are, in effect, "off the reservation."

There are still signs that this is public housing, like the fact that residents don't have mailboxes affixed to the front of their apartments; instead, they must walk to post-office boxes perched on pedestals at intervals along the street. In addition, there isn't a decent large grocery store for blocks. In short, though the area is moving toward a mix of income groups it still lacks the mix of uses that makes city neighborhoods lively and convenient.

Even so, much of the shame attached to living in public housing here has vanished; the waiting list for the rowhouses and townhouses is in the hundreds. Their design attracts the working families who shunned public housing in the past. Similarly, smartly designed detached apartment houses in the area south of Horner are proving a strong draw and are stimulating private investment, such as the rehab of a row of private Victorian homes along West Jackson Street.

The walls between the projects and the city also are coming down with the rehabilitation of the seven-story Horner Annex, although it may not seem that way at first glance. Instead of weaving new housing into the fab-

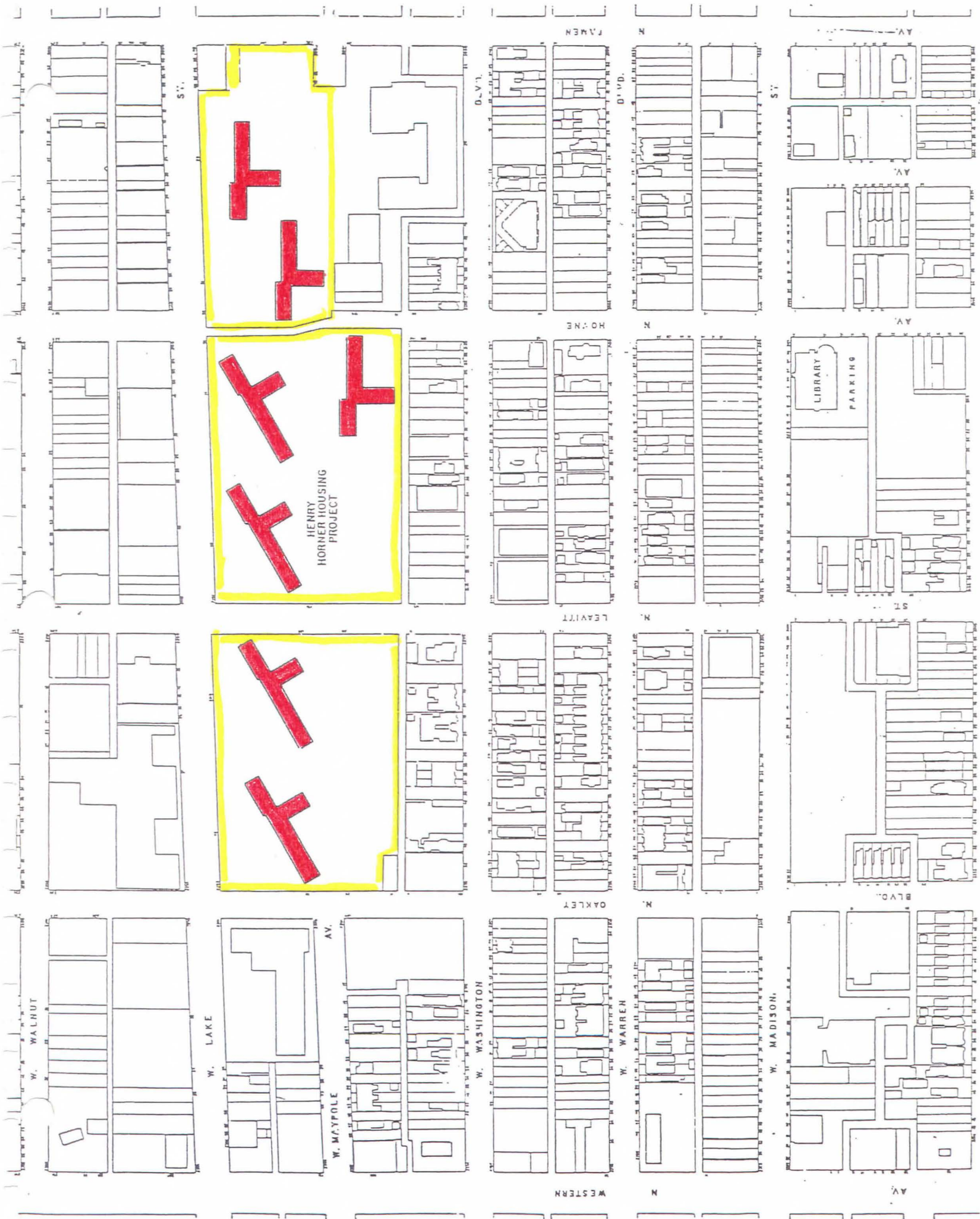
ric of the city, as the rowhouses aim to do, the renovation creates a fenced and gated complex.

Does that strategy repeat the mistake of the early public housing? Not necessarily, when you realize this is the way scores of condominium complexes around Chicago and the nation are arranged today. This is middle-class high-rise living — which is what residents are saying when they crow that the Annex "looks like condos."

A key aspect of the renovation is that the architects, the Chicago firm of VOA, designed with their ears as well as their eyes. Residents were consulted on almost every aspect of the redesign. For example, indoor hallways with tile floors replaced breezeways paved in concrete, making the corridors more like a hotel than a housing project. Apartment sizes were expanded, and kitchens got amenities like wood cabinets. "We wanted to give it a look that made it our house," says the building's president, 39-year-old Annette Hunt.

Much is still to be done at Horner, like ensuring that all of the units get built on time and on budget; already there have been delays. Disputes continue over the quality of construction as well as the screening of tenants; if these details are not attended to, Chicago will simply have replaced a high-rise ghetto with a low-rise ghetto. Even so, public officials, architects and Horner residents are taking the right first steps to erase the stigma that defined the "other America." It's all about bringing back the little things that turn "housing" into "home."

HENRY HORNER HOMES
ORIGINAL SITE PLAN (Super Blocks)



HENRY HORNER HOMES

PROPOSED SITE PLAN



REVISED SITE PLAN
HENRY HORNER HOMES

HENRY HORNER HOMES

NEW TOWN HOMES



Overview of Horner Super Block B - November 1997
Photographed from Top of High Rise on Leavitt Looking East

56 Townhouse Units (to the south) Completed Jan.-Aug. 1997
71 Townhouse Units Under Construction



Close Up of First 56 Horner (Super Block B) Townhouse Units Completed Aug. 1997
Photographed in Nov. 1997 from Top of High Rise on Leavitt Looking East

71 Townhouse Units (to the north) Under Construction



2113-2147 W. Maypole
Eighteen 3-Bedrooms, Eighteen 2-Bedrooms
Horner Super Block B (198)

Horner New Horizons (New England Builders/HAM)
Solomon Cordwell Buenz & Associates
Completed 1997



114-122 N. Hoyne (Close up)
Five 3-Bedrooms, Five 2-Bedrooms
Horner Super Block B (198)

Horner New Horizons (New England Builders/HAM)
Solomon Cordwell Buenz & Associates
Completed 1997



114 -122 N. Hoyne
Five 3-Bedrooms, Five 2-Bedrooms
Horner Super Block B (198)

Horner New Horizons (New England Builders/HAM)
Solomon Cordwell Buenz & Associates
Completed 1997



19 S. Hoyne
Four 3-Bedrooms
Horner Infill (188)

Near Westside Showcase, J.V. (MCL/Near Westside)
Smith and Smith
Completed 1997



2106 W. Washington
Three 3-Bedrooms
Horner Infill (195)

Starr/Enterprise L.L.C (Enterprise Development/Hull House)
Bauhs Dring & Main
Completed 1997



25 S. Hoyne
Two 4-Bedrooms
Horner Infill (188)

Near Westside Showcase, J.V. (MCL/Near Westside)
Smith and Smith
Completed 1997



45 N.Oakley
Two 3-Bedrooms
Horner Infill (188)

Near Westside Showcase, J.V. (MCL/Near Westside)
Smith and Smith
Completed 1997

The Chicago Housing Authority

September 9, 1996

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Deputy Executive Director
for Community Relations
& Involvement

John Nelson
Deputy Executive Director
for Operations

Ana L. Vargas
Deputy Executive Director
for Finance and
Administration

Mr. Christopher Hornig
Deputy Assistant Secretary
Office of Public Housing Investments
U.S. Department of Housing and
Urban Development
451 Seventh Street, SW., Room 4138
Washington, DC 20410

Dear Mr. Hornig:

It is my pleasure to submit this HOPE VI application to continue the revitalization already underway at the Henry Horner Homes and to begin redevelopment at the 3,500 unit complex known as ABLA.

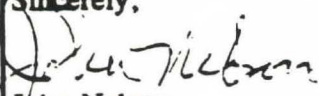
HOPE VI is critical to the continued recovery and long-term sustainability of the CHA. With the most severely distressed public housing developments in the nation, the CHA is wholly dependent on the HOPE VI program to redevelop these communities. To underscore the overwhelming need, the mandatory conversion language in this year's appropriation bill would require the demolition of nearly 19,000 units of public housing. This funding would enable CHA to demolish some of the most run down, crime infested high rises while upgrading and expanding the affordable housing stock in Chicago.

Three high rises have already been torn down at Henry Horner, and two more will be demolished later in the year. Replacement housing is under construction on the existing site and in the surrounding community. This activity has been the catalyst for the redevelopment of the entire Near West side of Chicago, transforming a desolate, poverty stricken inner city area into a vibrant mixed income community. This HOPE VI funding would add 150 units of new low rise housing to the 466 units already under construction or in the planning stages. All of the units built both on and off site will be divided equally between very low income and working families.

ABLA offers revitalization possibilities on a par with Cabrini-Green—prime real estate with high potential for mixed income development. This funding would enable the demolition of three dilapidated high rises and the construction of 200 replacement units on the existing site and on vacant parcels in the vicinity. ABLA is also included in the Authority's vacancy consolidation plan—relocation has begun in two separate sections of the development.

Thank you for your consideration of this funding request.

Sincerely,


John Nelson
Deputy Executive Director, Operations



Business and Professional People
for the Public Interest

September 9, 1996

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U. S. Department of Housing and
Urban Development
451 Seventh Street, S. W. - #4138
Washington, D. C. 20410

Attn: Director, Office of Public Housing Investments

Ladies and Gentlemen:

On behalf of the Gautreaux plaintiffs, we write this letter in support of the application of the Chicago Housing Authority pursuant to the NOFA (Docket No. FR-4076-N-01) published in the Federal Register of Monday, July 22, 1996. The application seeks \$42,918,550 of funding for 350 replacement housing units at CHA's Horner and ABLA developments.

We wish to point out that the application is submitted pursuant to the sentence in the NOFA (F.R. 38025) which states:

"In order to meet its obligations under the Gautreaux Consent Decree requiring HUD to provide comparable relief when HUD cannot provide section 8 New Construction assistance, HUD may provide funding for up to 350 public housing replacement units to the Chicago Housing Authority, provided that the funding will fulfill an unsatisfied obligation under the Consent Decree to provide comparable relief, and provided, that the Chicago Housing Authority submits one or more applications for such public housing replacement units in response to this NOFA."

We also wish to make reference to Secretary Cisneros' letter to Alexander Polikoff dated July 1, 1996, in which the Secretary says that although the HOPE VI grants will be awarded under a competitive process, the NOFA "will provide an absolute priority for a CHA HOPE VI application seeking funding for up to 350 replacement housing units. . ."

The Gautreaux plaintiffs do not agree that their entitlement to a FY1996 set-aside under the Gautreaux Consent Decree may be conditioned upon CHA's NOFA application. See the letter to the Secretary from Alexander Polikoff dated July 12, 1996. However, to avoid controversy over what may be a moot point in light of the Secretary's "absolute priority" statement, and because we fully support the plans

for the 350 replacement housing units described in CHA's application, we have agreed to postpone taking other steps pending HUD's response to the NOFA application. Moreover, we have told HUD lawyers that honoring the NOFA application will be viewed by the Gautreaux plaintiffs as fulfilling the unsatisfied HUD obligation under the Gautreaux Consent Decree respecting the FY1996 Gautreaux set-aside. We do, of course, reserve our rights to seek the FY1996 Gautreaux set-aside in other ways should the CHA NOFA application not be honored.

We wish to add that our Gautreaux support for the NOFA application is complete. We believe that the Horner portion has the potential to move the revitalizing Horner area a giant step forward, and that the ABLA portion can begin a strong revitalization effort in another nearby community that is ripe for such activity.

Sincerely yours,


Alexander Polikoff

ALP:mm

cc: Howard Schmeltzer
Edwin Eisendrath

Exhibit A: Statement of Objectives and Goals

The primary objectives of the proposal are: 1). to continue to carry out a "Revitalization Program" that is set out in a Federal Court consent decree in Homer Mother's Guild vs. CHA/HUD and 2). to develop and implement a comprehensive self-sufficiency program for residents to permit them to be economically, socially, and culturally independent. The Court Order calls for a "conversion of The Homer Development from a densely populated, dilapidated and exclusively very low income project characterized by high vacancies and dangerous and hazardous conditions to a mixed-income neighborhood consisting of new and renovated mid-rise and low-rise, low-density homes that are fully occupied and maintained in a decent, safe, and sanitary manner." *

1. Changing the physical shape of public housing. The proposal calls for the demolition of four (4) obsolete high rise structures (15 stories) with six (6) building addresses which contain a total of 743 very low income public housing units. Two (2) of the high rises already have HUD approval for demolition. Relocation is about two-thirds complete on these two high-rises, which should facilitate that demolition. Relocation recently began on the two (2) additional building addresses now being proposed for demolition. The proposed replacement housing will be new houses and semi-detached homes similar and complementary to the surrounding community. Badly needed open recreation space is also being provided to assist marketing and quality of life to the new community.
2. Establishing Positive Incentives. The plan intends to develop a home-ownership component to the revitalization as self-sufficiency programs are implemented. All CHA vendors and management vendors are required to hire residents for 10% of all jobs or contribute 10% of contract proceeds for resident training. Through arrangements with the local assistance offices, financial incentives for welfare recipients taking training or employment are being provided, as well as a health service safety net. A "consortium" of over 20 community groups and service providers has been formed to provide a total support network to work with residents in day care, job training, placement, job development, education, security, and health care alternatives. The University of Illinois and the Illinois Medical Center District have offered to identify new and turnover jobs from their 54,000 job employment base.
3. Enforcing tough expectations. Private management took over on July 1, 1996 as part of the court order. The new Management Plan provides for prompt eviction for non-payment and for-cause cases, strict adherence to the "one strike and you're out" initiative. Under the Court Order a new Security Plan was

* Source: Amended Consent Decree, Henry Homer Mothers Guild et al. vs. CHA, et al.: September 1995 (Case No. 91C3316).

implemented on June 14, 1996 which provides for additional CHA police and CHA security guards to be on-site, execute vertical and perimeter patrols, and adds bicycle patrols to the aggressive enforcement process. A resident ID system and security booth stations are being implemented in existing high-rise and mid-rise buildings. A system of rule violations with warnings, fines, and evictions for non-compliance is being implemented and enforced. The Tenant Selection Committee, required by the Court Order is made up of private management, members of the surrounding private community and Horner residents. Police checks, credit checks, direct interviews, and home inspections are required and considered in selecting new tenants.

4. Lessening Concentrations of Poverty. The proposal calls for demolition of 743 very low-income public housing units and replacing them with 150 single family, duplex, and two-flats. All will be for "mixed" income (50% very low and 50% for 50-80% median income). The residents already being relocated under the Horner and Gatreux Court Orders are receiving mixed income units in the area, scattered site units in non-Afro-American census tracts and Section 8 housing. The entire plan is geared to ending social and economic isolation, providing numerous alternatives in attaining self-sufficiency and opening up new opportunities by partnering with private businesses, government agencies, institutions and non-profit organizations.
5. Forging Partnerships. Over 20 social service, health, community organizations and government agencies have formed "task forces" to address jobs, education, human resources, planning, security, economic development, and property management for the development and surrounding community (where low density, mixed income housing is being integrated into the existing neighborhood under the Court Order replacement plan). These groups have forged a comprehensive program to address the overall needs of present public housing residents as they transition into the revitalized overall community being created. The groups meet regularly to carry on their work and are accountable on a monthly basis to a community forum which includes the overall neighborhood and the CHA residents. The University of Illinois is providing technical assistance to the Task Force and is about to undertake an in depth Family Needs Assessment (Required by Court Order). That Assessment will include inventory suppliers of the services needed and assist in accessing these services. The University and the Illinois Medical Center District are identifying entry level, turnover, and future employment opportunities for residents. Together these two institutions employ over 54,000 employees. Residents will be trained or referred based on skills required for specific jobs.

Exhibit C: Physical Description of Revitalization Plan

The overall revitalization plan for the Homer Development (Projects IL 2-19, IL 2-27B, and IL 2-35) is a multi-year, multi-phase program being carried out by a Federal Court Consent Decree.

Phase I began in April of 1995 and will result in demolition of 466 units (2 high rises and 3 mid rises) in the Homer Extension (IL2-35). Funding has already been provided for 466 replacement units which are under construction. Two hundred of the units are being built back on site of the demolished units (lessening the density by about 60%) and 266 units are being be provided by new construction on scattered vacant, in-fill sites or acquisition and rehabilitation of vacant and existing properties in the surrounding communities. These sites were the subject of a court approved waiver under the Gautreaux Desegregation case and have been determined to be "Revitalizing Areas" under the provisions of that case. As a condition of the waiver, the replacement housing units are to be for "mixed" income occupancy (50% of the residents must earn 50% or less of median income and 50% of the residents must earn 51% to 80% of the median income). Also included in Phase I is the rehabilitation of IL 2-27B (The Annex Homes). This former 109 unit development is being completely renovated into 90 apartments convertible to 98 units with appropriate community space and outdoor recreation. It is in progress and scheduled for completion in about 16 months. The development is to be re-marketed as a "mixed" income community using 50% of median families and 51 to 80% of median families. Phase I is to be completed in April of 1997 under the Court Order.

Phase III is to consist of the complete rehabilitation of the seven (7) mid-rise buildings in the Homer Homes. The rehabilitation is more incremental than the development in Phase I or II. These mid-rises are presently undergoing a \$5 million dangerous and hazardous repair program, new elevators are to be put in, and extensive exterior repairs to the brick and concrete is about to begin. Significant other investments in pest control, recreation, landscape, and preventive maintenance are being made. Phase III is to be completed on or before April, 2001.

Targeted Development

This Hope VI application, if funded, would provide funding for the beginning of the next phase of revitalization at Horner and would demolish the four remaining high-rise structures and provide land for additional replacement housing units and badly needed open, recreation space.

1. No changes in the size, shape, or use of interior spaces to existing units is contemplated under this application. Only demolition and provision of replacement housing units is proposed.
2. The provision of open, recreation area is proposed as part of this application. Land would be provided within the site to be demolished to facilitate park, sport facilities, and provision of other social and recreation services to the residents who will reside in the 150 replacement housing units to be provided as replacement housing under this application and the 466 replacement housing units previously funded under the Court settlement.
3. The proposed on-site replacement units for the to be demolished public housing units would be provided as follows:

No.	BR Size	Unit Type
10	2BR	Semi-Detached
55	3BR	Semi-Detached
8	4BR	Semi-Detached
2	5BR	Semi-Detached

The units will avoid or lessen concentrations of very low-income families by requesting a Gautreaux Revitalizing Waiver to permit 50% of the units to be provided to very low income families and 50% to families earning 51 to 80% of area median income. Also, the design of the units will be rowhouses and duplex units that will accommodate only two families per building, one of which will be marketed to a very low income family and the other to a 51-80% median income family.

4. No off-site replacement housing units are proposed under this application for targeted development.
5. No Section 8 certificates are being proposed to be used for replacement or relocation housing under this application. Relocation of the families presently residing in the buildings are already covered by the Horner Consent Decree and are being provided out of already existing certificates. The families who have already chosen Section 8 certificates as their housing replacement choice under the Court Order are being provided counseling through the Metropolitan Leadership Council of Greater Chicago. If they choose to enter their program after counseling, they are given priority.
6. No site acquisitions are proposed under this application and all replacement housing will be built back on land to be made available after demolition.
7. All new replacement units will be wired for computer access cable as part of the specification for construction.
8. A copy of a Post-revitalization Map delineating the various phases of revitalization under the Court Order is attached. The "target development" areas covered by this application are specially identified on that map.
9. The 1996 Consolidated Plan/Action Plan of the City of Chicago (prepared for HUD November 1995) finds the following Housing needs:
 - a. Extremely Low-Income: 0-30% of Median Family Income.
 - 75% of extremely low-income households experience excessive cost burdens.
 - The availability of 16,000 vacant units overall is not enough to reduce the demand for affordable units at this level.
 - 61% of large renter households at 0-30% median financial income live in overcrowded conditions.
 - b. Low-Income: 31 to 50% of Median Family Income.
 - 75% of renters and 42% of homeowners experience housing problems.

- Large minority households experience the greatest number of housing problems at this income level.
- The nearly 30,000 vacant units at this income level are not enough to meet the demand for affordable housing.

c. Moderate Income: 50 to 80% of Median Family Income.

- 41% of renter households face severe cost burdens.
- Elderly and single person households demonstrate the greatest incidence of housing problems at this income level.
- Over one-half of large rental households live in overcrowded conditions.

The Chicago Housing Authority (CHA) reports that a total of 26,967 registered households are seeking housing units in CHA as of August 9, 1993. At that time CHA was calling and processing applicants who had registered in April of 1991 for high-rises, in September of 1991 for low-rises and in June of 1984 for scattered-site housing.

Once families are drawn from the registration list and certified as eligible, the average waiting list (as of September, 1995) exceeds one year for high-rises, four years for low-rises and five to seven years for scattered-site housing.

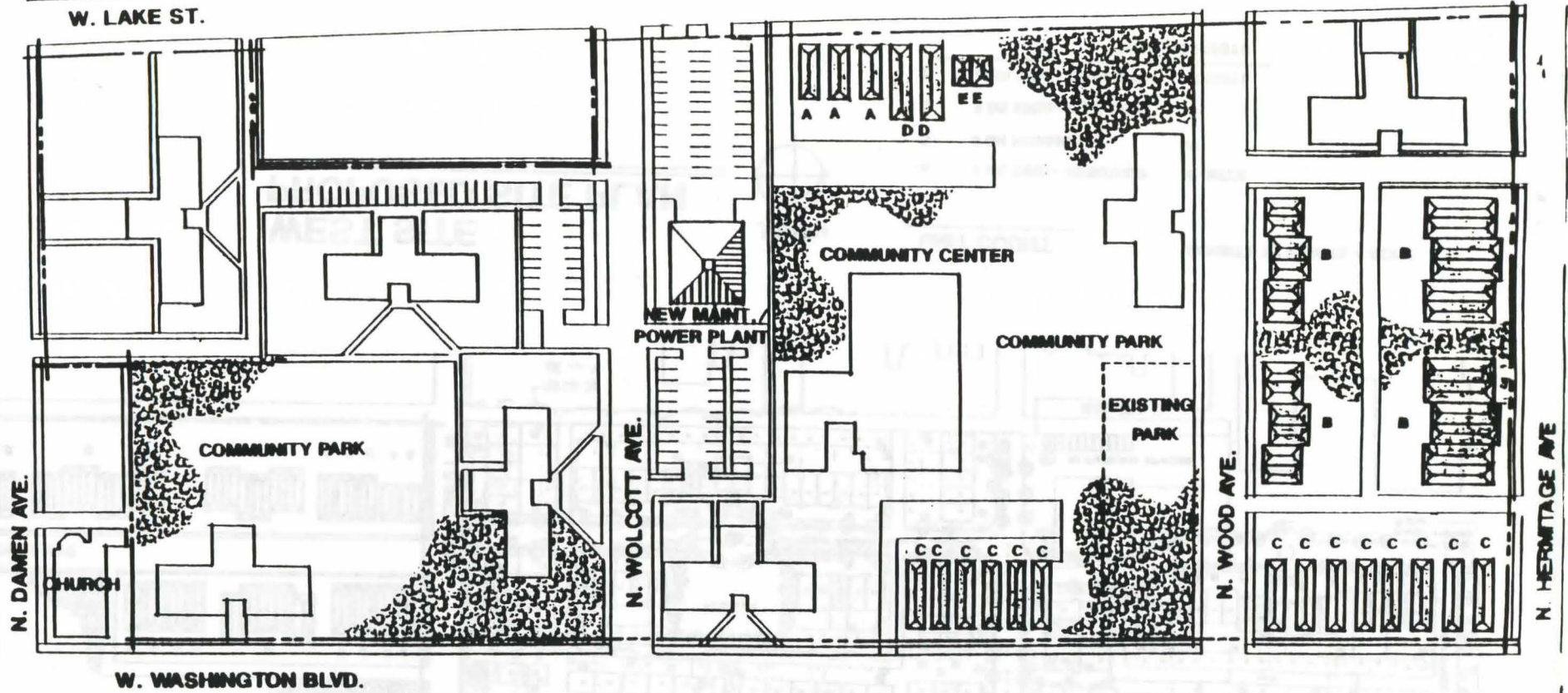
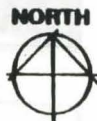
Although CHA's Section 8 waiting lists for non-elderly households have been closed since 1985 a total of more than 47,000 families were waiting for Section 8 assistance as of October 1, 1995. Families currently being called from the list for Section 8 have been waiting approximately 19 years. In addition, CHA has been receiving applicants at a rate of approximately 100 per month under the Federal preference categories. There is additional pent-up demand from households who cannot register due to a closed list.

Finally, based on a Marketability Analysis of the Revitalization Plan by American Marketing Services it was found that:

"The rental units proposed under the Horner Revitalization Plan should prove to be highly marketable. The proposed rents will be very affordable to households earning between 50% and 80% of median income. In addition to the competitive pricing and desirable product proposed under the plan, marketability as a mixed-income development will be greatly enhanced by the location and existing characteristics of the overall community."

16

EAST SITE PROPOSED SITE PLAN



UNIT COUNT

DENSITY 28 UNITS / ACRE

A	2 BR SEM- DETACHED	6 UNITS
B	3 BR ROWHOUSE	36
C	3 BR SEM- DETACHED	28
D	4 BR SEM - DETACHED	4
E	5 BR SEM - DETACHED	2 UNITS

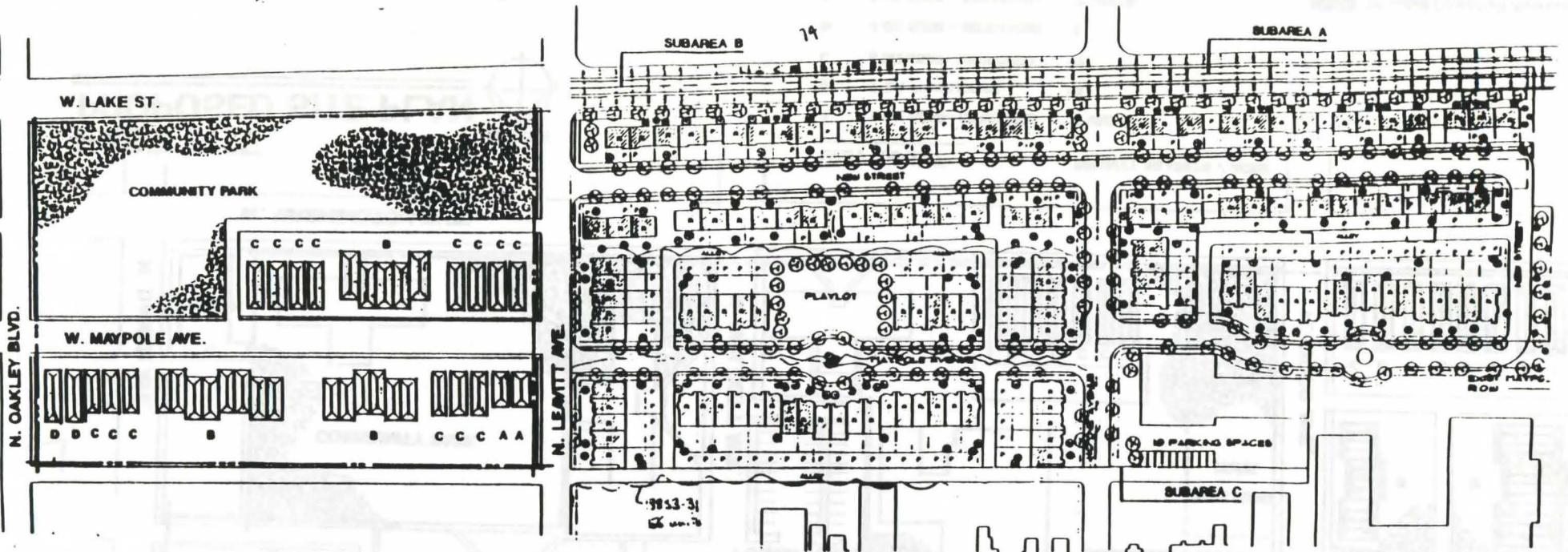
TOTAL 76 UNITS



Wendell Campbell Associates, Inc.
Architects Planners Construction Managers

TARGETED DEVELOPMENT (PHASE 2)

PHASE 1: UNDERWAY



WEST SITE PROPOSED SITE PLAN

NORTH



UNIT COUNT

DENSITY 11.7 UNITS / ACRE

A	2 BR SEMI-DETACHED	4 UNITS
B	3 BR ROWHOUSE	38
C	3 BR SEMI-DETACHED	28
D	4 BR SEMI-DETACHED	4 UNITS

TOTAL 74 UNITS



Wendell Campbell Associates, Inc.
Architects • Planners • Construction Managers

EXHIBIT D

APPLICATIONS FOR NEW CONSTRUCTION

1. Comparison of construction costs and acquisition or acquisition and rehabilitation for the proposed area - Not applicable (see 2 below)

2. Under the Gautreaux/Revitalizing Waiver issued by the Federal Court in Gautreaux Desegregation Case the area for potential replacement housing is limited to the areas generally bounded by Damen Avenue, Lake Street, Van Buren Street, and Western Avenue and by Talman Street, Lake Street, Warren Boulevard and Kedzie. Based on a Multiple listing Service search or currently available housing in these neighborhoods, CHA certifies that there is insufficient existing housing in the neighborhood to develop the replacement housing through acquisition of existing housing or through acquisition and rehabilitation.

The searches indicate that only 4 single family homes are available in the area with an average acquisition cost before rehabilitation of \$124,450 and that only 7 multi-family 2 and 3 flats are available with an average market price of \$204,714 before rehabilitation.

3. Although the application is for new construction, the CHA will accept acquisition of existing housing or acquisition and rehabilitation if HUD determines the CHA certification of insufficient housing does not support approval of new construction.

Date:

Sept 9, 1996

Signed:

John Nelson

John Nelson, Deputy Executive Director
for Operations
Chicago Housing Authority

Criteria: NC=A AR=8028 TYP=1.2 W=2632-3200 N=34-200 TPC<>C
 08/30/96 10:00 Active Detached Single Family Page: 1
 STAT LIST# HOUSE# CP STREET UNIT AREA LIST \$ TU B/B/B/B HT PG T REF#
 ACTV 96149439 2749 W LAKE 8028 49,000 5 2 1.0 34 A B 1
 ACTV 96160886 2728 W. WASHINGTON 8028 129,800 6 1 1.6 16 A C 2
 ACTV 96132013 2718 W WASHINGTON 00 8028 149,000 7 3 2.1 58 L C 3
 ACTV 96160432 2701 W WASHINGTON 8028 159,900 8 3 2.1 16 L C 4

TOTAL NR LISTINGS: 4
 AVRG LIST PRICE: 124,450
 AVRG MARKET TIME: 31

**LSZ(DE):A=LT .28 AC.L-STD CHIC LOT **TPS(DE):B=1.6 STORY,C=2 STORY

TOTAL LISTINGS: 4
 AVRG LIST PRICE: 124,450
 AVRG MARKET TIME: 31

Criteria: NC=A AR=8028 TYP=3 W=2632-3200 N=34-200 TYPE OF HOUSE NU=A,B
 TOT NUMBER UNITS=4
 08/30/96 10:05 Active Two to Four Units Page: 1
 STAT LIST# HOUSE# CP STREET UNIT AREA LIST \$ TU B/B/B/B HT PG T REF#
 ACTV 96046807 3055 W WASHINGTON 8028 158,500 3 3/3/3/ 178 NO B 1

TOTAL NU LISTINGS: 1
 AVRG LIST PRICE: 158,500
 AVRG MARKET TIME: 178

**TRU(NU):B=3 FLAT

TOTAL LISTINGS: 1
 AVRG LIST PRICE: 158,500
 AVRG MARKET TIME: 178

Criteria: NC=A AR=8028 TYP=3 W=1600-2400 S=1-400 TYPE OF HOUSE NU=A,B
 TOT NUMBER UNITS=4
 08/30/96 10:02 Active Two to Four Units Page: 1
 STAT LIST# HOUSE# CP STREET UNIT AREA LIST \$ TU B/B/B/B HT PG T REF#
 ACTV 96102185 213 S HAMILTON AV 8028 189,000 3 2/1/3/ 103 PO A 1
 ACTV 96046068 220 S HAMILTON 8028 197,500 2 3/3/ / 179 PO A 2
 ACTV 96046884 321 S HAMILTON 8028 198,000 2 3/3/ / 179 PO A 3
 ACTV 96118198 2261 W ADAMS 8028 310,000 3 2/2/2/ 79 PO B 4
 ACTV 96128458 2259 W ADAMS 8028 310,000 3 2/2/2/ 79 PO B 5

TOTAL NU LISTINGS: 5
 AVRG LIST PRICE: 224,900
 AVRG MARKET TIME: 123

**TRU(NU):A=1 FLAT,B=3 FLAT

TOTAL LISTINGS: 5
 AVRG LIST PRICE: 224,900
 AVRG MARKET TIME: 123

Criteria: NC=A AR=8028 TYP=3 W=1600-2400 N=1-200 TYPE OF HOUSE NU=A,B
 08/30/96 10:01 Active Two to Four Units Page: 1
 STAT LIST# HOUSE# CP STREET UNIT AREA LIST \$ TU B/B/B/B HT PG T REF#
 ACTV 96115081 1629 W WARREN 8028 150,000 2 2/2/ / 82 NO A 1

TOTAL NU LISTINGS: 1
 AVRG LIST PRICE: 150,000
 AVRG MARKET TIME: 82

**TRU(NU):A=2 FLAT

TOTAL LISTINGS: 1
 AVRG LIST PRICE: 150,000
 AVRG MARKET TIME: 82

The priorities were established based on the input of the residents, appropriate departments of CHA, and the directives of the Court Consent Decree:

- ☐ To correct life, health and safety violations (e.g.: inoperable trash chutes, elevators, plumbing and compactors)
- ☐ To determine the operational condition of the community through file audits and operating assessments. Determine the status of recertifications and TARS.
- ☐ To determine the physical needs of the property through detailed maintenance inspections to enable us to prepare a comprehensive and accurate budget, maintenance schedule, and preventative maintenance program.
- ☐ To clean the years accumulation of trash and dirt from common areas and grounds.
- ☐ To assess the security requirements of the community and to strategically address these within the limitations of the budget.
- ☐ To immediately improve the image of the community through exterior cleanliness and professional business office/staff appearance.
- ☐ To determine the socioeconomic requirements of the residents and to begin empowerment programs.
- ☐ To work with the Task Forces, Committees, and interested parties to accomplish on a priority basis the agendas of each.
- ☐ To adhere to the letter of the Consent Decree.

2. Reward work and promote stability

CHA has already established ceiling rents and various income disregard incentives for residents. These programs are being carried out in conjunction with other government agencies (such as Aid to Dependent Children, the Governors office, the Mayors Office of Employment and Training), the Building Trades Union (with a Step Up Apprentice Program for the replacement housing), CHA Contractors and vendors (requiring 10% of contract amount for resident hiring or a 10% of contract proceeds to a fund to provide resident training), private management (before private management 1 of 65 management employees were residents, after 22 out of 52 are residents), and utilization of special Resident Company procurement regulations (allowing CHA to let contracts to resident owned businesses up to \$1 million without competition).

3. Tenant Screening and Lease Enforcement

The Court Consent Decree establishes a Tenant Screening Committee (TSC), a tenant screening process, and Continued Occupancy Standards. A six person TSC has been established to review tenant files, school records, criminal history, and credit records. The TSC also considers: experience in obtaining or seeking employment; ability of household to abide by terms of lease; the family's desire to avail itself of services to address their needs; and their willingness to become responsible households in the community. The TSC is made up of residents, CHA, management, and surrounding community members.

We want the community to have standards so that not just any resident will be approved for occupancy, while remaining cognizant of Fair Housing Law. Consistent and thorough resident screening can reduce the risk of leasing to the wrong resident. The Screening Committee and Pinnacle will establish and maintain a leasing program to assure that

- ☐ The resident qualifying criteria will be in writing, clear and understandable.
- ☐ House Rules are stated in positive language and all residents will sign these rules when they move in, and again at lease renewal (or annually).
- ☐ We will discuss with the resident the circumstances under which they can be removed.
- ☐ We will distribute anti-drug booklets to children and adults at move-in.
- ☐ We will perform current home visits on all prospective residents.
- ☐ We will perform housekeeping inspections semi-annually.
- ☐ We will provide to each resident a home care manual and training on care of their apartment within 60 days of move-in.

The "Tenant Screening Committee" responsibility has been formalized into a three part process.

Part 1

Occupancy files will include all leasing information and background checks on all persons to occupy the unit over 15 years of age. A review of the applicable information will be made by the Assistant Business Manager in a format agreed to by the committee. This information will include:

1. Name of the Applicant
2. Age of the Applicant
3. Family Composition, ages and sex of children.
4. Current address and description of domicile
5. Summary of the Credit Report findings
6. Summary of the Background Check findings
7. Apartment size required.
8. Any other relative information

Part 2

After file approval by the Screening Committee on Part 1, Pinnacle will conduct home visits to assess housekeeping skills of the prospective resident. During this home visit a Needs Assessment will be completed. Should there be any extreme social concerns with the prospective resident, this will be brought to the attention of the Screening Committee during the second meeting in the process.

the CHA successfully met the expected goals for the quarter. The Authority received an overall average of "C" for its 1995 modernization score. The Authority is not on the "modernization troubled list."

3. Audit

a. CHA

The FY 94 found the CHA to be lacking in certain major systems critical to support the operations of the Authority. Immediately upon its arrival the new HUD management team developed a comprehensive plan to address the outstanding HUD findings; many of these findings have been successfully addressed as noted in the draft FY 95 audit.

b. Habitat (as receiver)

On June 21, 1996, upon completion of their audit of both the Scattered Site Program and the Chicago Metropolitan Housing Development Corporation (CMHDC)/The Habitat Company Joint Venture, Peat Marwick LLP issued the statement that the Scattered Site Demonstration Program complied, in all material respects, with all HUD and government accounting requirements and standards for the year ended December 31, 1995.

4. Implementation

1. CHA

The CHA is confident of its capacity to quickly implement the HOPE VI Revitalization Program at Homer Homes. First, as noted above, the CHA has made a strong commitment of time and resources to its redevelopment program and has been moving forward aggressively at four developments. In April 1996, the CHA established a separate Redevelopment Division, charged with oversight of these various redevelopment efforts. This division, having been intimately involved in developing the HOPE VI proposal will be perfectly poised to begin the necessary next steps in the event of an award.

b. Habitat (as receiver)

Implementation of the program can begin quickly under the development management of The Habitat Company since they are fully operational as Receiver for CHA's Scattered Site Program. Staffing (acquisition, planning, construction management, accounting, administration) and processes (RFPs, design, community relations, Section 3, etc.) are currently in operation.

5. Prior experience in financial / leveraging / partnership

As noted above, it is only under the leadership of the new management team that the Authority has made progress in the revitalization of its public housing communities. However, at each of its redevelopment projects described

above, the CHA is pursuing innovative financing models and working to promote public private partnerships. The CHA is committed to using federal dollars to leverage funding and support from the private market as well as other City agencies. The Chicago Metropolitan Housing Development Corporation (CMHDC) a CHA subsidiary may also play a significant role in pursuing innovative financing partnerships to ensure the implementation of the proposed revitalization plan.

6. Receivership

a. CHA

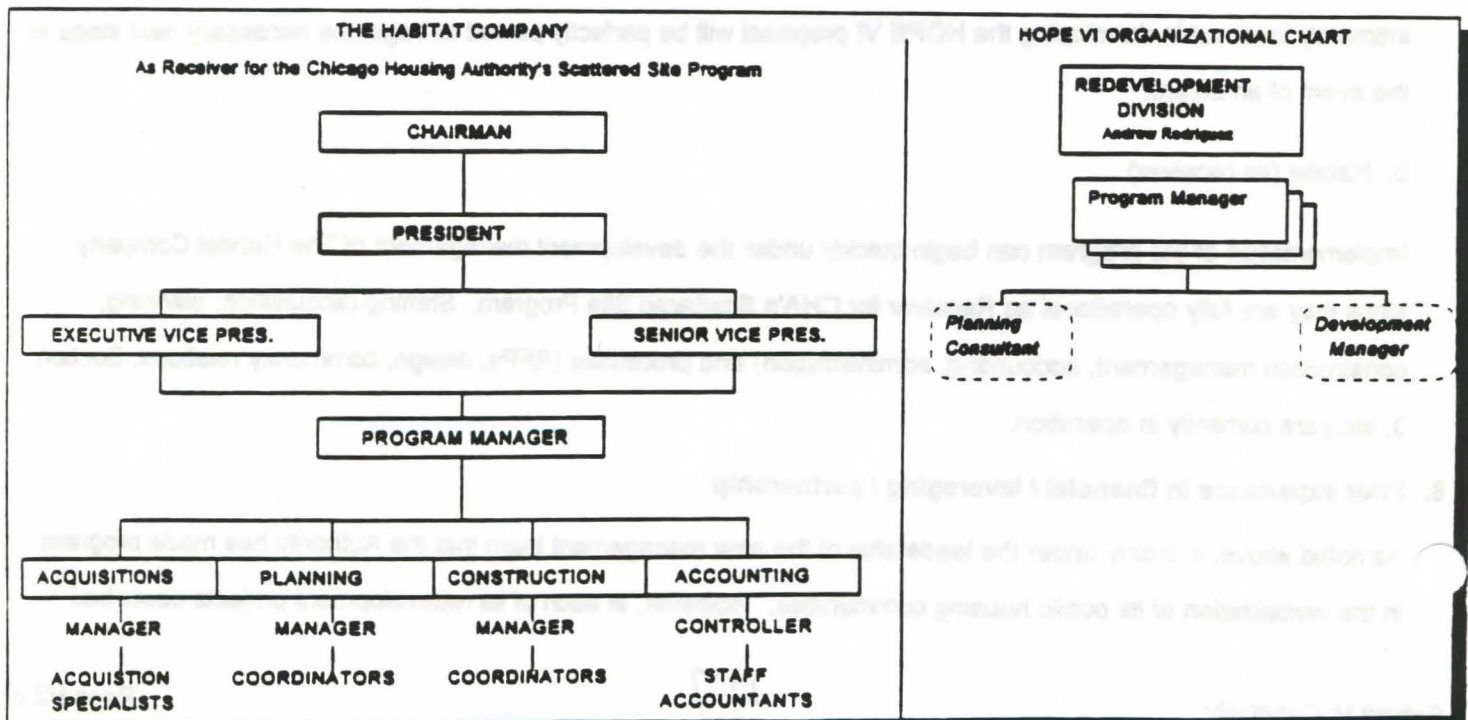
Following the takeover in 1995, HUD is still legally responsible for the operations of the Authority through the person of the Secretary's Representative—who acts as CHA Chairman.

b. Habitat (as receiver)

In 1987, The Habitat Company was appointed by Federal the Court as Receiver for CHA's Scattered Site (non-elderly) Housing Program. The last of the 1,608 units (approximately 250) are currently under construction. Based on Habitat's experience and success in completing these programs in a cost-effective and timely manner, the company is also under contract to CHA in joint venture with CMHDC, an affiliate of CHA, to develop 375 units under the "Demonstration Program." Habitat is responsible for the acquisition of land, planning, development, construction, management and all related accounting functions.

7. Proposed Staffing

See organization charts from CHA and Habitat below.





City of Chicago
Richard M. Daley, Mayor

Office of Budget and Management

Diane Aligotti
Budget Director

City Hall, Room 604
121 North LaSalle Street
Chicago, Illinois 60602
(312) 744-3323
(312) 744-3618 (FAX)
(312) 744-3619 (TT/TDD)

April 2, 1996

Valerie Jarrett
Executive Vice President
Habitat Company
350 W. Hubbard
Suite 500
Chicago, IL 60610

Dear Valerie:

The City of Chicago has committed to fund the infrastructure for the Henry Horner development in an amount of \$2.55 million in 1996.


The following needs to be discussed among the City, Habitat Company and CHA:

- 1.) project schedule of improvements;
- 2.) who will build the improvements; and,
- 3.) utilities needed in the area.

This monetary commitment is contingent on the City doing the entire infrastructure development in one phase. One phase infrastructure development is much more efficient because construction can be done systematically. In addition, one phase implementation is cost effective because of economies of scale.

If you have any questions, please contact Rick Rice at 744-9568 or Julia Harris at 744-9153 of my staff.

Sincerely,


Diane Aligotti
Budget Director
City Of Chicago

cc: Roger Kiley
Terry Peterson
Russ Carlson
Rick Rice
Julia Harris



3. Partnerships

a. The CHA will contract with The Habitat Company as development manager for the implementation of the HOPE VI Program (Homer and Brooks Extension). The Habitat Company is a full service real estate brokerage, management and development company. Habitat is the court appointed receiver for the development of The Chicago Housing Authority's Scattered Site (non-elderly) program. Under this program, Habitat has completed over 1,350 units and has additional 330 units under construction. Habitat will be responsible for implementing the plan contained in this application. The financial arrangement will be similar to that approved by HUD for development as the Receiver. The Habitat administrative costs are budgeted at 4.5% of Total Development Cost and the development fee is 3%. Other administrative funds are for CHA/CMHDC staff and overhead.

The self-sufficiency program is being carried out through a joint partnership of two social service consortiums already serving the area: 1. The West Side Consortium has existed since 1985 and is made up of 18 organizations and 100 service providers who service the needs of the Near West Side generally and which has as its mission the "Raising of funds and other resources for the redevelopment, transformation and economic integration of the Near West Side" (fuller explanation of each member organizations background and service specialty can be found under Exhibit E,) and 2. New Unity West Organization, which is made up of over a dozen social service, health, day care, education, and job training providers who present serve Homer. This newly formed partnership brings hundreds of professionally trained staff and literally hundreds of years of experience in the comprehensive provision of services to Homer residents for self-sufficiency. The group will presently use existing funding to streamline the delivery of services, reduce duplication, and cooperate with government agencies seeking to create a "one stop" comprehensive social service mechanism to Homer residents. The group in conjunction with the HRC, BPI, and Central West Community Organization has pledged to seek additional funding necessary to accomplish a holistic program to bring residents to full self-sufficiency.

The University and the Illinois Medical Center Commission have pledged to assist in job development, job qualification review, training, and job placement within their joint 54,000 job employment base. Both groups will identify new and turnover jobs before they become available and assist the Consortium in training residents for these jobs.

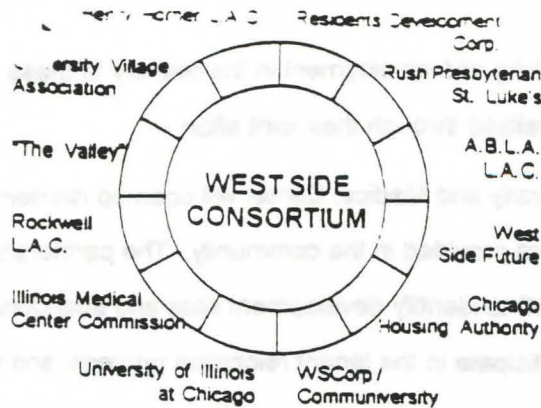
b. The contract with The Habitat Company as development manager will enhance the CHA ability to control costs and expand the supply of housing more quickly. Habitat is currently in the process of developing 466 Replacement Units at Homer and will provide continuity between the existing Replacement Program and the Gautreaux HOPE VI Program.

The West Side Consortium/New Unity West Partnership will guarantee existing providers and their local clients a voice in the type, scope, and delivery methods to be established to bring families to self-sufficiency. Further, these

groups have a record of resident training and employment in the delivery of these services. Duplication of services and economies of scale should be realized through their joint effort.

The partnership offered by the University and Medical Center will open up resident opportunities in education, training, and employment never before provided in the community. The partnership between Central West Community Organization and the HRC to identify development sites and abandoned buildings for replacement housing in the community, jointly participate in the tenant relocation process, and oversee the construction and long term property management of the new housing assures a quality control and consultation process that is uplifting the entire neighborhood.

c. Attached are copies of appropriate letters of support and commitment from the numerous parties involved.



September 5, 1996

To: Mr. Thom Finerty, Consultant to ABLA Local Advisory Council
and the Henry Horner Homes Local Advisory Council (HRC)

From: West Side Consortium, a Coalition of 18 Agencies and
Institutions Serving Chicago's Near West Side

Re: Support for the Application in Response to the Hope VI NOFA

The West Side Consortium networks with over 100 agencies which are now serving Near West Side residents in solving problems related to housing in deteriorating CHA buildings. Most of these families are struggling to move from welfare dependency to self-sufficiency. As residents fight for survival, West Side Future, West Side Consortium, Unity West Collaborative, and major private and public partners are committed to economic development, education, health, new housing development, social services, family case management, recreation and youth development, working with a community searching for opportunity.

The attached Self-Sufficiency Component of the NOFA and the letters of support are evidence of collaboration among social service and community development entities to work together for the common good of current CHA ABLA and Henry Horner Homes residents to take advantage of the new and replacement housing to be built with the funds from the CHA response to the U.S. Department of H.U.D.'s NOFA. Further, the letters of support are indicative of the Near West Side community's commitment to provide services necessary to move citizens from unemployment to jobs by seeking funds from the private/public sector and making use of all available resources in behalf of persons caught in welfare and poverty as they prepare for jobs. The Near West Side of Chicago can become a model of a transformed mixed income community for those who will work together with a vision of unity and opportunity for all. The West Side Consortium is evidence that when we look to the future with hope and well managed distribution of resources, the most difficult of urban problems can and will be solved.

Exhibit L - Resolution of Litigation

1. Gautreaux Consent Decree

This application is submitted pursuant to the following sentence in the NOFA for Hope VI Grants as published in the Federal Register at page 38025:

"In order to meet its obligation under the Gautreaux Consent Decree requiring HUD to provide comparable relief when HUD cannot provide Section 8 New Construction assistance, HUD may provide funding for up to 350 public housing replacement units to the Chicago Housing Authority, provided that the funding will fulfill an unsatisfied obligation under the Consent Decree to provide comparable relief, and provided, that the Chicago Housing Authority submits one or more applications for such public housing replacement units in response to this NOFA."

The Gautreaux plaintiffs have already indicated in an earlier letter to HUD (July 12 from Alexander Pollikoff to Secretary Cisneros) that they do not agree that their entitlement to a FY 1996 set-aside under the Gautreaux Consent Decree may be conditioned upon a CHA NOFA application. However, the Plaintiffs have indicated to HUD that should HUD fund the NOFA application it would be viewed as fulfilling the unsatisfied HUD obligation under the Gautreaux Consent Decree for the FY 1996 Gautreaux set-aside. Plaintiff class however has reserved their rights to seek a FY 1996 Gautreaux set-aside in other ways if the NOFA application is not honored.

The 150 units of replacement housing being applied for at the Homer Development and the 200 units being applied for at the ABLA (Brooks Extension) represent the set aside "application" referred to in the NOFA.

2. Homer Consent Decree

Under the Homer Consent Decree (pages 37 and 38):

"The federal defendants shall provide to the CHA defendants, subject to availability of Congressional appropriations, sufficient funding to enable the CHA defendants to carry out their replacement housing obligations over the schedule of the Homer Revitalization Program as described in Paragraph 2.C and Exhibit A of this Amended Consent Decree."

"The Federal defendants shall also consider, consistent with Congressional authorization and appropriation, CHA's application for \$50,000,000 in Hope VI/URD funds or similar funds, including any Capital and/or Management Improvement Funds, if and when the CHA is permitted by law to file such an application. The funding obligations of the federal defendants required by this Amended Decree are in addition to their obligations

Exhibit 1 - Resolution of Litigation

to provide CHA defendants comprehensive Grant, operating subsidies, Gautreaux funding, and other HUD funding."

CHA as defendant has an ongoing requirement under the Consent Decree to apply for any funding that HUD may make available that could enable CHA to carry out their replacement housing obligations over the schedule of the Horner Revitalization Program. This application is submitted in order to fulfill that obligation by seeking 150 replacement housing units.

3. Horner Consent Decree

Under the Horner Consent Decree (pages 37 and 38):

"The federal defendants shall provide to the CHA defendant, subject to availability of Congressional appropriations, sufficient funding to enable the CHA defendant to carry out their replacement housing obligations over the schedule of the Horner Revitalization Program as described in Paragraph 1.C and 1.D of the Amended Consent Decree."

"The federal defendant shall also consider, consistent with Congressional authorization and appropriations, CHA's application for 250,000 to 500,000 in HUD funds for rental units, including any capital costs."

"Management Improvement Fund 2, and when the CHA is permitted by law to do such an application. The funding obligations of the federal defendants imposed by the Amended Consent Decree are in addition to their obligations

Item No. 1

August 15, 1996

**MEMORANDUM TO: EDWIN EISENDRATH
CHAIRMAN, CHICAGO HOUSING AUTHORITY**

**SUBJECT: APPROVAL TO SUBMIT 42.9 MILLION DOLLAR FUNDING
REQUEST FOR PUBLIC HOUSING DEMOLITION, SITE
REVITALIZATION AND REPLACEMENT HOUSING (HOPE VI
PROGRAM) AT ABLA AND HENRY HORNER DEVELOPMENTS**

The U.S. Department of Housing and Urban Development (HUD) announced in a Notice of Fund Availability (NOFA) dated July 22, 1996 that over \$480 million in funding will be set aside for Public Housing demolition, site revitalization and replacement housing, hereafter referred to as the HOPE VI Program. Any Public Housing Authority (PHA) that owns or operates 10,000 or more public housing units is eligible to apply for up to and including \$40 million. The response to the NOFA is due on or before September 10, 1996.

The Authority will be applying for the full 42.9 million dollars in funding to be divided between the ABLA and Henry Horner developments. This will respond to the NOFA's set-aside of units for the Gautreaux plaintiff. The HOPE VI grant will fund demolition, the capital costs of reconstruction, rehabilitation and other physical improvements, the provision of replacement housing, management improvements, resident self-sufficiency programs and tenant-based assistance. At Henry Horner, this NOFA funding will help to further the planning process initiated with the court ordered consent decree. At ABLA, this will fund the first phase of a comprehensive redevelopment plan that will take place over the next five to ten years.

This NOFA funding request is being prepared by Thomas J. Finerty, Sole Proprietor, who was approved by the Authority and the residents to provide strategic planning services for these two developments.

APPROVAL TO SUBMIT \$2.9 MILLION DOLLAR FUNDING REQUEST FOR PUBLIC HOUSING DEMOLITION, SITE REVITALIZATION AND REPLACEMENT HOUSING (HOPE VI PROGRAM) AT ABLA AND HENRY HORNER DEVELOPMENTS

This resolution would approve the submission of the NOFA funding request to the U.S. Department of Housing and Urban Development to obtain funding for a HOPE VI grant at ABLA and Henry Horner in the full amount of \$2.9 million to be divided between the two developments. In addition, this memorandum authorizes the Executive Director or his designee to execute any forms, certificates or supporting documents necessary in order to submit said NOFA funding request and hereby directs staff to prepare and execute all documents relating to seeking approval of the same.


Joseph Shuldiner
Executive Director

SIGNED ORIGINAL COPY IS ENCLOSED IN THE ORIGINAL BINDER FOR ALBA HOMES

Applicant/Recipient Disclosure/Update Report

U.S. Department of Housing
and Urban Development
Office of Ethics

OMB Approval No. 2510-0011 (exp. 3/31/98)

Instructions. (See Public Reporting Statement and Privacy Act Statement and detailed instructions on page 4.)

I Applicant/Recipient Information

Indicate whether this is an Initial Report ☒ or an Update Report ☐

1. Applicant/Recipient Name, Address, and Phone (Include area code)

The Habitat Company As Reciver for The Chicago Housing Authority's
Scattered Site Program
350 W. Hubbard St.
Chicago, IL 60610 (312) 527-5400

Social Security Number or
Employer ID Number
36-272-5259 (Habitat)

2. Project Assisted/ to be Assisted (Project/Activity name and/or number and its location by Street address, City, and State)

Development of replacement Housing units for
Henry Horner Homes (IL2-91) & Extension (IL2-35), Chicago IL for 150 Units
Brooks Extension (IL2-31), Chiago, IL for 20 units

3. Assistance Requested/Received

350 Replacement housing units under the Gautreaux
Consent Decree

4. HUD Program

1996 HOPE VI
(Gautreaux)

5. Amount Requested/Received

\$ 18,435,300 (Horner)
24,483,250 (Brooks)

Part II. Threshold Determinations - Applicants Only

1. Are you requesting HUD assistance for a specific project or activity, as provided by 24 CFR Part 12, Subpart C, and have you received, or can you reasonably expect to receive, an aggregate amount of all forms of covered assistance from HUD, States, and units of general local government, in excess of \$200,000 during the Federal fiscal year (October 1 through September 30) in which the application is submitted?

☒ Yes ☐ No

If Yes, you must complete the remainder of this report.

If No, you must sign the certification below and answer the next question.

I hereby certify that this information is true. (Signature) M. Williams

Date 9/4/96

2. Is this application for a specific housing project that involves other government assistance?

☒ Yes ☐ No

If Yes, you must complete the remainder of this report.

If No, you must sign this certification.

I hereby certify that this information is true. (Signature) M. Williams

Date 9/4/96

If your answers to both questions are No, you do not need to complete Parts III, IV, or V, but you must sign the certification at the end of the report.

Part III. Other Government Assistance Provided/Requested

Department/State/Local Agency Name and Address	Program	Type of Assistance	Amount Requested/Provided
(See CHA's form detailing other assistance for this particular project. The assistance reported here is for funding managed by The Habitat Company as Receiver for CHA's Scattered Site Program.)			
HUD	CHA'S Scattered Site Program	Grants, Loans	\$110,820,785 (Total draws 1987-12/31/95)
HUD-Set Aside(Gautreaux)	IL06-P802-188	Public Housing Dev.	\$30,000,000
HUD-FY 95 Gautreaux Funds	IL06-P802-191	Replacement Housing Grant	\$19,999,400
HUD FY95 Public Housing Dev. Funds	IL06-P802-192	Replacement Housing	\$ 9,137,750
	IL06-P802-193	"	\$16,216,250

SIGNED ORIGINAL COPY IS
ENCLOSED IN THE ORIGINAL
BINDER FOR ALBA HOMES

Is there other government assistance that is reportable in this Part and in Part V, but that is reported only in Part V? ☐ Yes ☒ No

If there is no other government assistance, you must certify that this information is true.

I hereby certify that this information is true. (Signature) M. Williams

Date 9/4/96

Part IV. Interested Parties

Alphabetical list of all persons with a reportable financial interest in the project or activity
(for individuals, give the last name first)

Alphabetical list of all persons with a reportable financial interest in the project or activity (for individuals, give the last name first)	Social Security Number or Employee ID Number	Type of Participation in Project/Activity	Financial Interest in Project/Activity (\$ and %)
<p>The Habitat Company as Development Manager/Receiver</p>	<p>36-272-5259</p>	<p>Development Management Fee</p>	<p>Approximately 3% of TDC of \$42,918,550 - \$1,287,557</p>

**SIGNED ORIGINAL COPY IS ENCLOSED
IN THE ORIGINAL BINDER FOR ALBA HOMES**

If there are no persons with a reportable financial interest, you must certify that this information is true.

I hereby certify that this information is true. (Signature)

[Handwritten Signature]

Date **9/4/96**

*** See Part III of Form HUD-2880 submitted by CHA is this application. ***

If there are no sources of funds, you must certify that this information is true.

I hereby certify that this information is true. (Signature) 

Date 9/4/96

Use

*** See Part III of Form HUD 2880 submitted by CHA in this application. ***

SIGNED ORIGINAL COPY IS ENCLOSED IN THE ORIGINAL BINDER FOR ALBA HOMES

If there are no uses of funds, you must certify that this information is true.

I hereby certify that this information is true. (Signature) 

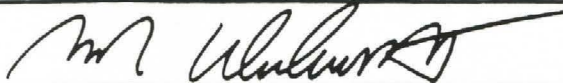
Date 9/4/96

Certification

Warning: If you knowingly make a false statement on this form, you may be subject to civil or criminal penalties under Section 1001 of Title 18 of the United States Code. In addition, any person who knowingly and materially violates any required disclosure of information, including intentional non-disclosure, is subject to civil money penalty not to exceed \$10,000 for each violation.

I certify that this information is true and complete.

Signature



Date

9/4/96

Douglas R. Woodworth, President, The Habitat Company as Receiver
for CHA's Scattered Site Program

Page 3 of 7

form HUD-2880 (3/92)
ref. Sec 102, HRA 1989: PL 101 - 235

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Exhibit M: Required Certifications

8. Evidence of Legal Eligibility.

HUD Washington has informed us this form is not required with this application.

9. Cooperation Agreement

HUD Washington has informed us this form is not required with this application.

F. REPLACEMENT HOUSING

1. FUNDING OF REPLACEMENT UNITS

The Chicago Housing Authority intends to Demolish 762 dwelling units in the Robert Taylor Homes, (IL2-37) at the following locations:

5326 S. State St.
5322 S. State St.
5323 S. Federal St.
5001 S. Federal St.
5041 S. Federal St.

The replacement units needed for the proposed demolition will take the form of new construction in vacant lots within the communities, rehabilitation of vacant properties within the community and Section 8 Certificates.

The funding source will be from the Public Housing Demolition, Site Revitalization and Replacement Housing Grant (HOPE VI) Fiscal Year 1996. To the extent that the funds are made available by HUD under the Section 8 Certificate, Rental Voucher, and/or Project Based Assistance Programs in connection with replacement housing under Section 18, the total number of additional units under the Public Housing Development application may be reduced commensurately.

2. UNIT SIZE/TYPE

The proposed replacement housing will consist of a variety of housing design types. The 300 off-site units in the community (some mix of new construction and rehab) 300 units built back on-site as townhouses during the future application phase (phase 2-applied for) will need to be 3 Bedrooms (about 60%) and 4 Bedrooms (21%) and 2 Bedroom (17%). The current arrangement in the highrises only shows 1 Bedrooms as 2%.

3. DEVELOPMENT METHOD

The Authority intends to develop the new development replacement units through new construction utilizing a modified Turnkey Development method, wherein CHA will acquire the sites required for construction.

4. LOCATION OF REPLACEMENT UNITS

At Taylor the revitalization plan calls for the demolition in phases of five (5) buildings. Replacement housing would take the form of new construction on vacant lots in the community.

rehabilitation of apartments in vacant buildings in the community and Section 8 Certificates. In addition to this activity in the community (defined as Mid-South/Grand Boulevard/Washington Park) the same activity is expected to take place in "non-impacted" Gautreaux neighborhoods.

5. DEMOLITION/DEVELOPMENT SCHEDULE

The following proposed schedule will serve as the timetable for the implementation of CHA's Replacement Housing Plan (RHP) in conformance with 24 CFR 970.11(d):

REPLACEMENT HOUSING PLAN TIME TABLE	
ACTIVITY DESCRIPTION	NUMBER OF MONTHS AFTER HUD APPROVAL OF DEMOLITION
All residents relocated from the development	24 Months
Identify sites for acquisition	12 Months
Select design teams for new construction units	6 Months
Sign contract for first new construction units	24 Months
Sign contract for last new construction units	24 Months
Occupancy (Date of Full Availability)	60 Months

The Authority will develop the replacement housing to meet all time frames and requirements of the HUD Public Housing Development Handbook 7417.1 REV-1 and related regulations.

6. RESIDENT RELOCATION

All tenants effected by the subject demolition will be relocated in accordance with HUD relocation requirements, and provided comparable housing in other CHA units.

7. SITE AND NEIGHBORHOOD STANDARDS.

The Chicago Housing Authority has included certifications in the demolition application for the subject properties that it will comply with all applicable regulations and assist HUD in performing the required site and neighborhood reviews for all replacement housing sites.

**APPLICATION FOR DEMOLITION OF PARTIAL
LOW INCOME PUBLIC HOUSING PROJECT IL2-20**

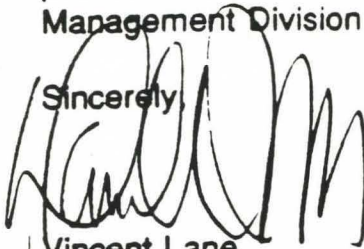
-2-

Therefore, approval of this demolition request is vital to the Authority's efforts to rebuild and extend the life of this public housing development through the reduction of housing density.

The Demolition Plan and the actions proposed therein are in compliance with applicable HUD regulations and: (1) the relocation resources are decent, safe and sanitary and affordable, (2) no demolition or disposition action shall take place until all displaced tenants have been successfully relocated, unless there is to be staged relocation and staged demolition or disposition, and (3) that PHA action is in compliance with applicable civil rights laws and compliance agreements.

Should you have any further questions concerning this Application, please contact Lela J. Davis, Assistant to the Director, Construction Management Division at (312) 567-7861.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read 'Vincent Lane'.

Vincent Lane
Chairman

VL/LJD;slw

3. DEVELOPMENT METHOD

The Authority intends to develop the 190 new development replacement units through new construction utilizing a modified Turnkey Development method, wherein CHA will acquire the sites required for construction.

The additional 72 replacement units are part of the Authority's Urban Revitalization Demonstration program application, which permitted treatment of up to 500 units of distressed housing in one development. The Authority intends to combine its development and rental program in the Cabrini area with a Mixed Income New Communities Strategy (MINCS) Program, as detailed in the URD application submitted to HUD on May 5, 1993.

Replacement of these URD units in the Cabrini Extension will be provided by a variety of means, including the development of new low-income units in multi-family housing complexes on existing large sites in the community surrounding area and in other areas throughout the city and suburbs; rehabilitated apartments in the Cabrini complex; renovated existing housing in the surrounding community; rental or purchase of housing in HUD, Fannie Mae, and Freddie Mac foreclosed or assigned properties through the Chicago metropolitan area.

4. LOCATION OF REPLACEMENT UNITS

The proposed new units will be built on scattered sites in community areas around the Cabrini-Green, and in other sites throughout the Chicago Metropolitan area, in accordance with the Consent Decree (and subsequent orders) of the Gaurteaux litigation. All sites will be selected in accordance with the City of Chicago's Comprehensive Housing Affordability Strategy (CHAS).

Of the 500 total URD units, the Authority plans to replace 285 by constructing new low-income housing units on vacant land which presently exists in a one mile by three quarter mile area immediately surrounding (and including) the Cabrini-Green complex. The proposed replacement housing will be matched with development or market rate units to promote and economic, racial and cultural mix. The areas bounded by North Avenue on the North; Wells Street on the East; Superior on the South; and Chicago River and Halsted on the West.

The area contains over 40 acres of land, with about 25 acres of 62 percent already in public ownership by CHA, the Board of Education, or the City of Chicago. The remaining 16-plus acres of existing vacant land will be acquired on the open market at the fair market value or through eminent domain with court established compensation.



The Chicago Housing Authority

May 4, 1993

Board of Commissioners

Vincent Lane
Chairman

Artema Randolph
Vice Chairman

Robert L. Belcaster

Arthur M. Brazier

Milton Davis

Handy L. Lindsey, Jr.

Daniel Solis

Robert Whitfield

Chief Operating Officer

Dr. Daniel W. Blue, Jr.

*Deputy Chief Operating
Officer*

F. Willis Caruso
General Counsel

Ms. Janice Rattley

Director

**Office of Construction, Rehabilitation
and Maintenance**

U.S. Department of Housing and Urban Development

451 Seventh St. N.W.

Room 4138

Washington, DC 20410

Dear Ms. Rattley:

I am pleased to forward to you the Chicago Housing Authority's application for funding under the Urban Revitalization Demonstration Program.

We are requesting \$50,000,000 to help support a revitalization plan for the Cabrini-Green public housing development and, specifically, the Cabrini Extension community.

In budgeting for this comprehensive program, we have allocated 80 percent of the proposed funding for hard, or construction-related costs, and 20 percent for supportive services and the community service program.

Cabrini-Green is well known both in Chicago and across the country as an example of the devastation created by concentrated and isolated poverty in a distressed public housing community. Through this program, we hope to make it a national model for what public housing can become through the support and cooperation of residents, local government, local businesses and concerned citizens.

Thank you for your consideration. Please feel free to contact me or Kristin Anderson at (312) 791-8513 if you should have any questions or need additional information.

Sincerely,

Robert D. Whitfield
Chief Operating Officer

EXHIBIT

3

CHA proposes to replace every very low income unit that is lost as a result of either clearance or MINCS activity after rehabilitation. Since the buildings proposed for such treatment are either already completely vacant or only partially occupied, more replacement units will be made available prior to relocation than the number of residents affected under the plan. As of February, 1993, the structures in the Funding Area contained 296 occupied units and CHA is proposing to replace 690 units of housing. The actual number of households affected will be dependent upon the number of units occupied at the point that the program is funded and ready to proceed. CHA will offer relocation to all leaseholders affected by this plan in full compliance with applicable laws and regulations.

5.2 Demolition and Replacement Housing

Removal of Structures

CHA proposes to clear three (3) of the four (4) structures in the funding area for a net removal of 660 units. It is noted that 398 units are located in two vacant and closed structures and the third structure is only partially occupied. CHA proposes to provide one for one replacement housing for every housing unit demolished. CHA recognizes that the URD grant is limited to treatment of 500 units and proposes to supplement the demonstration with Comprehensive Grant funding for the demolition of the additional 160 units.

Development of New Housing/MINCS

CHA projects that a total of 690 low income units will be removed by a combination of clearance (660 units) and conversion of some rehabilitated units to mixed income usage (30 units

MINCS). Since the URD regulations limit eligibility to 500 units for funding, CHA proposes to fund the replacement of the additional 190 low income units required with the use of Public Housing Development funds from a set aside under a Federal Court Order in the Gautreaux Case or from Public Housing Development Funding (which CHA will seek under a pending HUD NOFA), or a combination of both, dependent upon funding availability. Exhibit 12 summarizes the replacement needs and source of funding for the replacement housing. The replacement units will be provided through a variety of means, including: development of new low-income units in multi-family housing complexes on existing large sites in the surrounding community; development of single family and 2 to 4 unit clusters in the surrounding area, city wide, and the suburbs; rehabilitated apartments in the Cabrini complex; renovated existing housing in the surrounding community; rental or apartments in the Near North and downtown area; and rental or purchase of housing in HUD, Fannie Mae, and Freddie Mac foreclosed or assigned property throughout the Chicago Metropolitan Area.

Also, Section 8 certificates will be made available to residents to aid in relocation. These certificates will be from the special set aside for this program which will not require persons relocated to wait on any list. The plan for their use is more fully described later in this narrative. If the number of relocated leaseholders who wish to obtain a Section 8 certificate is greater than the number set aside, a lottery will be conducted to determine the recipients.

No demolition of any units will occur until all leaseholders of the targeted buildings have been relocated and are actually living in replacement units.

EXHIBIT A STATEMENT OF OBJECTIVES AND GOALS

The State Street Corridor, known locally as Chicago's "other magnificent mile" contains 8,215 units of public housing concentrated in five high-density housing developments that form the western border of the Mid-South community. Utilizing the HOPE VI Program, the Chicago Housing Authority has elected to choose two of their State Street developments: Dearborn Homes and Robert Taylor Homes as the sites for redevelopment. This plan to revitalize Dearborn Homes and Robert Taylor Homes - B complements efforts currently underway by local community organizations and institutions to revitalize the neighborhood while simultaneously maintaining a housing stock that is affordable for all income groups. The Mid South Strategic Development Plan: Restoring Bronzeville, is a document recently prepared via a joint public-private-community effort. The Plan recognizes the contributions this area has made to Chicago's history. Using this theme, community groups are beginning to implement various projects. This Plan's recommendations specific to the State Street Corridor are included in Section I.2.b - Letters of Support.

In addition to redeveloping public housing, the corridor's HOPE VI Redevelopment Plan represents an effort for residents to participate in the revitalization efforts underway in the greater Mid-South community. Under this application, more than 887 units of public housing will be demolished for the State Street corridor.

Through this HOPE VI Redevelopment Plan, CHA together with the residents of Robert Taylor Homes - B will:

A) *Change the physical shape of public housing*, through the selective demolition of several buildings at key locations on the site. This will occur in two phases which are discussed in Exhibit C. There are benchmarks which must be achieved with each component of the plan. Clearance of this land will provide new jobs in a new industrial park; and better quality housing, in the form of 250 - 300 new and rehabilitated units located off-site. Rehabilitating abandoned apartment buildings and constructing new townhouse units on blocks where vacant lots proliferate will help stabilize the area.

B) *Establish positive incentives for resident self-sufficiency*, by assessing the existing service providers to better match resident needs, and establishing the CHA Family Investment Center that will coordinate current family support services with job training needs of future employers located in the new industrial park. Residents will also be able to enroll in a construction training program targeted for the rehabilitation and new construction of off-site replacement units.

C) *Enforce tough expectations through strict occupancy and eviction rules*. A major component of the Redevelopment Plan is the establishment of a new Orientation Program for those residents choosing to remain as well as others selecting Section 8. All affected residents will be assessed in terms of their past record as

a "good tenant". This assessment will determine whether a tenant pays their rent and utility bills regularly over the period of one year, does not exhibit "anti-social" behavior and engages in activities that promote the general welfare of other residents at the development (i.e., community service).

D) *Lessen concentrations of poverty*, by reducing the density of dwelling units from 2,400 to 1,610 over five years and by rehabilitating or constructing 250 to 300 units off-site as partial replacement housing scattered throughout the greater Mid-South community. The development of a new industrial park, construction of a new medical/commercial shopping center and re-establishment of the City's street grid system, all serve to end the isolation of public housing residents from the rest of the neighborhood and make a more complete community.

E) *Forge partnerships*, by identifying additional resources available to residents transitioning out of the neighborhood and available to residents choosing to remain. Specifically, the Family Investment Center and new Empowerment Zone programs focusing on Robert Taylor Homes residents will address the comprehensive social needs of this population. Other mechanisms such as Tax Increment Financing and various City of Chicago development programs can be targeted towards residential and non-residential redevelopment components of the plan.

Zone funding for the rehabilitation of the former Charles Hayes Center. The Center will house numerous social service programs and become a one-stop center dedicated to family support known as the Family Investment Center. This building will be located in the neighborhood at 48th and Wabash, two blocks from the site's residential component.

3. On-Site Replacement Housing

There is no on-site replacement housing proposed in this application. As part of Phase 2, and under a future NOFA, the CHA will apply for 300 on-site replacement units to be constructed following the demolition of the remaining buildings after Phase 1.

4. Off-Site Replacement Housing

This application proposes the rehabilitation/new construction of 250-300 units of housing off-site. The housing stock located in the immediate area of the Mid South community comprises a mixture of medium sized abandoned 3-story buildings of 18 to 24 units and number two and three-flat greystone and bungalow structures. (See photographs at the back of this exhibit). In addition, there are presently 267 vacant parcels owned by the City of Chicago in the Mid-South community. The plan recommended for off-site replacement housing is to develop half the units as new construction and half as rehabilitation. In the case of new construction, sites should be scattered throughout the greater community between Cermak and 67th Street, the Lakefront to Halsted Street. Rehabilitated buildings designated should allocate no more than 20 - 25% of their finished units for public housing residents. Both approaches are structured to enhance the current trend in this community towards full revitalization while maintaining a stock of affordable housing.

5. Section 8 Certificates Used for Replacement Housing

The Chicago Housing Authority has applied for 762 Section 8 Certificates under their Vacancy Reduction Plan, to cover the five buildings proposed for demolition under the HOPE VI plan. Tenant-based assistance in the form of Section 8 relocation assistance to families living in these units has been applied for under a separate application submitted on September 5, 1996 - the Section 8 NOFA.

6. Necessary Site Acquisitions

It is anticipated that vacant land, presently owned by the City of Chicago, will be used for the majority of the new construction activity. The City has a limited supply of vacant buildings, however, a good number of

EXHIBIT D. APPLICATION FOR NEW CONSTRUCTION

1. Comparison of Construction Costs

The redevelopment plan for Robert Taylor Homes recommends demolition of the five buildings, over rehabilitation in place. A comparison of the costs associated with rehabbing the five buildings and the costs associated with acquiring vacant parcels for the construction of 250 new replacement units is detailed on the following page. The rehabilitation cost of the five buildings is estimated at \$46,625,000 or \$59,000 per dwelling unit versus \$28,000,000 for new construction of 250 single family homes (at an average cost of \$114,000/3 bedroom home).

In terms of multi-family properties of 4 units or more, there are only 14 available, with an average sale price of \$308,850. These 14 buildings represent a total of 180 dwelling units. The Multiple Listing Service (MLS) search for the area between 39th and 67th Streets, the Dan Ryan Expressway and Cottage Grove Avenue revealed a total of 15 units of housing available of three units or less. These buildings have an average sale price of \$89,693 as-is.

2. Certification of Sufficient Housing Available to Accommodate Replacement Units

Grand Boulevard has ample vacant lots and abandoned buildings that can provide affordable, low density housing options for residents and which could serve as construction training sites for Taylor residents interested in participating in that jobs program. There are only 4 privately listed vacant lots in the MLS and these sell for an average price of \$12,289; however, the City of Chicago lists more than 267 vacant parcels between 39th and 57th Streets alone.

3. CHA Acceptance of Funds for Acquisition and Rehabilitation Over New Construction

CHA will accept acquisition of existing housing or acquisition and rehabilitation if HUD determines the CHA certification of insufficient housing does not support approval of new construction.

Date: 9-9-96

Signed:

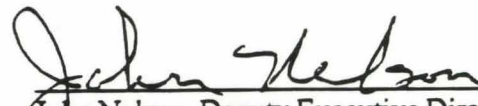

John Nelson, Deputy Executive Director for Operations
Chicago Housing Authority

EXHIBIT H. CAPABILITY

Since taking control of the CHA in 1995, the new management team has overhauled the operations of this troubled agency. Rent collection is up by 60%; evictions for both non payment of rent and criminal activity (One Strike You're Out) are up by 35%; administrative costs are down by 20%; rehabilitation of vacant units has increased by 50%; and inspection of existing stock is 100% complete.

1. Redevelopment Efforts:

One element of CHA's new mission is a commitment to revitalize several developments. An important example is the \$50 million HOPE VI Cabrini-Green plan. Implementation of CHA's original plan (which included demolition of 660 units and construction of 493 replacement units) was stalled due to the inability to identify sufficient land and the private financing. The new CHA management team jump-started the program by demolishing two vacant high-rises and issuing an RFP to identify a qualified developer. The CHA also initiated a dialogue with the City of Chicago. The result was the announcement in July, 1996 of a five-six year comprehensive neighborhood redevelopment plan, which includes approximately 2,000 new mixed income housing units (650 public housing replacement units), a new police station, new schools, a new library and new commercial/retail establishments. Demolition has also been significantly expanded.

The CHA is also pursuing a comprehensive revitalization effort at the Henry Horner Homes. Pursuant to a federal court ordered Consent Decree, the CHA will invest over \$74 million (comp grant, Gautreaux set-aside HUD development funds, City infrastructure contributions) in the revitalization of Horner. To date, CHA has demolished 347 units; begun rehabilitation of 109 units and construction of 56 units. In 1995 the residents of the Darrow Homes development agreed with the CHA that \$8.5 in MROP funds would be converted from rehabilitation funds to new construction funds and that their four high rises be demolished. The CHA has worked closely with residents to develop a plan for the redevelopment of their community. At present, the plan calls for the demolition of 480 units to be replaced by 120 units on-site. In July, 1996, demolition of the first high rise was begun.

Robert Taylor - B

consulted quite closely in developing plans. Several meetings have been held with resident leaders as well as with building residents to discuss the plan and its implementation. Resident support and involvement will greatly facilitate the implementation of the plan. Third, the CHA and the planning consultants have also met with numerous community representatives and City of Chicago officials to discuss the proposed revitalization plan. These individuals and organizations have expressed their interest in working with the CHA to foster the speedy implementation of the plan.

5. PRIOR EXPERIENCE in FINANCING/LEVERAGING/PARTNERSHIP

At each of its redevelopment projects described above, the CHA is pursuing innovative financing models and working to promote public private partnerships. The CHA is committed to using federal dollars to leverage funding and support from the private market as well as other City agencies.

6. Receivership

HUD is legally responsible for the operations of the Authority through the person of the Secretary's Representative--who acts as CHA Chairman. In its Scattered Site turnkey development program and in some components of the Henry Horner redevelopment program, the CHA has been assisted by the Habitat Company, the court appointed development receiver.

7. PROPOSED STAFFING

The Redevelopment Plan at Robert Taylor - B will come under the oversight of the Redevelopment Division, headed by Andrew Rodriguez. Mr. Rodriguez has been at the Authority for over eight years and has been most recently the Director of Modernization and Construction Management. Prior to coming to the Authority, Mr. Rodriguez worked with HUD in a variety of capacities relative to housing finance, maintenance and development. It is anticipated that a program manager will be hired to administer the Robert Taylor - B Revitalization program. This individual will be expected to have planning experience, familiarity with the community in which Robert Taylor - B is located, etc. It is also expected that the planning consultant engaged to initiate the planning process will be retained to provide additional detail to the plan.

EXHIBIT L - RESOLUTION OF LITIGATION

Not Applicable for this HOPE VI Application

HOPE VI
REVISED PLAN
TO
REVITALIZE CABRINI-GREEN
CHICAGO METROPOLITAN HOUSING DEVELOPMENT CORPORATION
MARCH 15, 1995

REPLACEMENT HOUSING BY BEDROOM SIZE

BUILDING ADDRESS	1-BR	2-BR	3-BR	4-BR	TOTAL
1158 N. Cleveland*	4	13	12	1	30
1150-1160 N. Sedgwick	36	110	112	4	262
1157-1159 N. Cleveland	18	56	58	4	136
1117-1119 N. Cleveland**	36	110	112	4	262
TOTAL	94	289	294	13	690

* These units are replaced due to leasing to families at 50-80% of median income, not demolition. Total building count is 65 units of which 5 units will become non-residential common area, 30 units will be leased to existing public housing residents and 30 units will be leased to public housing eligible tenants with incomes at 50% to 80% of median.

** Of the 262 replacement units for 1117-1119 North Cleveland, 72 will be replaced with Bond proceeds and 190 will be replaced with Public Housing Development Program funds.

E. DEVELOPMENT METHOD

The units will be developed under the modified "Turnkey Method", pursuant to contracts between CMHDC and qualified developers. Properties will be acquired by CMHDC before completion of the necessary construction or rehabilitation and, subject to appropriate assurances of completion by the developer, CMHDC would draw on the Bond proceeds to pay the costs of completing the project. Each project will be undertaken pursuant to a proposal from a qualified developer, such proposal to be approved by CMHDC and by the Program Manager. It is assumed that the Program Manager will be acceptable to HUD as such fiduciary for CMHDC. It is contemplated that to qualify for the Program, a developer would have to be a joint venture between a non-profit sponsor and an experienced financially sound for-profit entity.

F. LOCATION OF REPLACEMENT UNITS

The replacement units will be developed in five separate mixed income Developments, as preliminarily depicted on the Preliminary Phase I Site Plans and filed under separate cover as part of this presentation. All sites will comply with applicable HUD requirements,

the City of Chicago Comprehensive Housing Affordability Strategy (CHAS), and the locational requirements of the *Gautreaux v. Chicago Housing Authority* litigation, or waivers thereof will be sought.

G. DEVELOPMENT SCHEDULE

The units will be developed in accordance with the Plan for Implementation timeframes and schedule incorporated in the Revised Plan. The preliminary schedule, which is subject to change and will be refined in connection with the finalization of the Supplemental Replacement Housing Plan by May 15, 1995, is as follows:

HUD approves Revised Plan and Program	April 1995
Bonds are issued	July 1995
RFPs for housing developers are advertised	July 1995
Developers are selected	August 1995
Construction/rehabilitation begins	September 1995
Occupancy	December 1996 through December 1998

H. RELOCATION PLAN

The Revised Plan will comply with the provision of Article IV, paragraph 3, and Article XVI, paragraph 11 of the Implementation Grant Agreement. Two HOPE VI Buildings, 1150-1160 North Sedgwick and 1158 North Cleveland are currently 75% to 80% occupied.

The occupied buildings will require relocation of all residents. CHA management and CMHDC will work jointly to relocate or transfer residents in accordance with the relocation outline and in compliance with all outstanding laws and regulations including the Uniform Relocation Act.

The relocation process will occur in two phases. 1158 North Cleveland will be the first relocation site, followed by the relocation of the residents of 1150-1160 North Sedgwick. Three primary relocation options will be offered to residents. They include: Section 8 (permanent option), transfer to CHA Scattered Sites (permanent option) and transfer to other suitable CHA units, either in Cabrini-Green or other CHA developments (temporary option).

The relocation process began with a general relocation meeting held on March 8, 1995. During the meeting, residents were presented information concerning the various

Dearborn Homes

room, laundry room and building support spaces for mechanical equipment, trash collection, resident mailboxes and reception desk. The 6-story buildings will provide additional community space by converting former dwelling units to common areas for tenant storage, social service agencies and/or resident businesses. A space for future laundry rooms will be allocated with proper plumbing and electricity provided for installation of future additional laundry rooms in the 6-story buildings (See "Proposed Ground Floor Plan" included at the end of this exhibit). In addition to building community space, the redeveloped Dearborn Homes site will have designated locales for gardens and playlots and funding is expected from the Chicago Park District for renovation/enlargement of the Williams Park Field House.

3. On-Site Replacement Housing

In place of one of the proposed buildings for demolition (2971 S. Federal), a new 80-unit (1 Bedroom) building will be constructed for senior citizens. Dearborn Homes has a number of current residents over the age of 60 (60 people) and 27 residents between the ages of 55 and 59. The creation of a state of the art building, will provide better opportunities for managers to match unit size with household size, and provide seniors choosing to remain at Dearborn Homes, with the opportunity to move into housing best suited to their physical needs. The new building will lessen the concentrations of poverty by marketing the units to eligible residents within and outside of Dearborn Homes (i.e., to the congregations of area churches).

4. Off-Site Replacement Housing

There is no off-site replacement housing proposed under this application for revitalization.

5. Section 8 Certificates Used for Replacement Housing

The Chicago Housing Authority applied on September 5, 1995, for 96 Section 8 certificates under the Section 8 NOFA recently released by HUD. Results of a CHA Housing Choice Survey conducted in early June, revealed a 45% preference among residents of Dearborn Homes for Section 8 as their first housing choice preference. However, resident leadership believes that more people would choose to stay at Dearborn once some of the components of the Redevelopment Plan are in place. Therefore, the CHA is only requesting Section 8

F. REPLACEMENT HOUSING

Robert Taylor Homes is one of the largest distressed public housing development in the country. It houses 4231 dwelling units on 92 acres of land creating an unbalanced proportion of 46 units per acre. It is one of five developments which comprise "the State Street Corridor," the nation's largest and most *densely populated* continuous stretch of public housing.

In our comprehensive efforts to begin the revitalization of the Robert Taylor Homes and community it is mandatory that *De-densification* occur. It is for that reason *No new replacement housing is being proposed in this application.*

Although this demolition application is being submitted independently its intent and direction are consistent and coordinated with the revitalization concepts of our HOPE VI submission.



The Chicago Housing Authority

Edwin Eisendrath
Chairman

Joseph Shuldiner
Executive Director

Executive Committee
Rosanna Marquez
Artensa Randolph
Timothy W. Wright III
Dr. Mildred Harris

Ed Moses
*Deputy Executive
Director for Community
Relations & Involvement*

John Nelson
*Deputy Executive
Director for Operations*

Ana Vargas
*Deputy Executive
Director for Finance and
Administration*

Jerome M. Butler
General Counsel

September 9, 1996

Mr. Richard B. Kruschke
Director
Office of Public Housing, Illinois
State Office
77 West Jackson Boulevard
Room 2401
Chicago, Illinois 60604-3507

Dear Mr. Kruschke:

**SUBJECT: APPLICATION FOR PARTIAL DEMOLITION OF LOW
INCOME PUBLIC HOUSING - HENRY HORNER
HOMES, PROJECT NO. IL2-19**

This correspondence is written to transmit the Chicago Housing Authority's (CHA's) formal "Application for Partial Demolition of Low Income Public Housing - Henry Horner Homes, Project No. IL2-19", to your office for approval. The Application requests that the U.S. Department of Housing and Urban Development (HUD) grant approval for demolition of 465 units at the following buildings in the Henry Horner Homes Development:

120 N. Hermitage/111 N. Wood Street	234 Units
141 N. Wolcott/1847 W. Lake Street	231 Units

The Application has been prepared in compliance with 24 CFR part 970, Public Housing Program - Demolition or Disposition of Public Housing Projects; HUD Notice PIH 93-17 and 57 FR 46074, Requirements Relating to the Resident Organizations' Opportunity to Purchase Development Proposed for Demolition.

Page 2

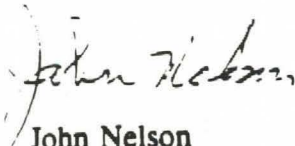
9/9/96 Letter to Richard Kruschke, Director, Office of Public Housing, Illinois State Office, HUD - Application for Partial Demolition of Low Income Public Housing - Henry Horner Homes Development, Project No. IL2-19

These buildings are being proposed for demolition due to their physical condition as well as de-densification of the development. Approval of this demolition request is vital to the Authority's efforts to rebuild and extend the life of this public housing development through the reduction of housing density.

The Demolition Plan and the actions proposed therein are in compliance with applicable HUD regulations and the PHA's action is in compliance with applicable civil rights laws and compliance agreements.

Should you have any further questions concerning the Application, please contact Andrew Rodriguez, Director, Redevelopment Division at (312) 791-8500, extension 4501.

Sincerely,



John Nelson
Deputy Executive Director, Operations

Enclosure

JN/AR/ds

cc: kruschke, r

A:RKDEMHH/EPH6

4. LOCATION OF REPLACEMENT UNITS

In accordance with the Comprehensive Revitalization Plan currently under way at the Composite Horner Development, replacement Housing will consist of; rehabilitated units on site, new construction units on site and new units built at Scattered sites under the Gautreaux Decree.

5. DEMOLITION/DEVELOPMENT SCHEDULE

The following proposed schedule will serve as the timetable for the implementation of CHA's Replacement Housing Plan (RHP) in conformance with 24 CFR 970.11(d):

REPLACEMENT HOUSING PLAN TIME TABLE	
ACTIVITY DESCRIPTION	NUMBER OF MONTHS AFTER HUD APPROVAL OF DEMOLITION
All residents relocated from the development	24 Months
Identify sites for acquisition	12 Months
Select design teams for new construction units	6 Months
Sign contract for first new construction units	24 Months
Sign contract for last new construction units	24 Months
Occupancy (Date of Full Availability)	60 Months

The Authority will develop the replacement housing to meet all time frames and requirements of the HUD Public Housing Development Handbook 7417.1 REV-1 and related regulations.

6. RESIDENT RELOCATION

All tenants effected by the subject demolition will be relocated in accordance with HUD relocation requirements, and provided comparable housing in other CHA units.

7. SITE AND NEIGHBORHOOD STANDARDS.

The Chicago Housing Authority has included certifications in the demolition application for the subject properties that it will comply with all applicable regulations and assist HUD in performing the required site and neighborhood reviews for all replacement housing sites.